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No. 11, November 1982



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USSR REPORT
USA: ECONOMICS, POLITICS, IDEOLOGY
No. 11, November 1982

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U.S. REARMAMENT PROGRAM CRITICIZED

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[Article by V. V. Zhurkin: "We Believe in Man's Reason"]

[Text] Guarding themselves by all available means against their own economic difficulties, their increasingly tense relations with allies and the mounting wave of protest in their own country, U.S. ruling circles have continuously hammered hundreds of billions of dollars into the militaristic machine with fanatical persistence in a race for the mirage of military superiority. On 1 October the Pentagon began to spend its budget for fiscal year 1983, which is, as Secretary of Defense C. Weinberger haughtily announced to the Congress, "the first for which the Reagan Administration bears total responsibility." Its first pure-blooded offspring is being viewed with alarm by Americans and the rest of the world.

Plans for the new fiscal year envisage the expenditure of 258 billion dollars on military needs just by the Defense Department. This is another militaristic record, which is leaving the budget peaks of the Vietnam war even further behind. In all, 1,675,300,000,000 dollars will be spent on military preparations in the 5 years up to 1987. According to the calculations of TIME magazine, which used the President's favorite television device for illustration, this sum is equivalent to a stack of dollar bills 107,000 miles high. Military expenditures in the 1983 budget are 13.2 percent higher than the previous year's figure in constant prices.

Soon after the new administration had settled in Washington, rightwing journalists R. Evans and R. Novak wrote with delight that one of the slogans of the "Reagan revolution" would be "Guns instead of butter." The zealous implementation of this slogan has now begun. It is taking the form of colossal expenditures on U.S. nuclear and conventional armed forces to augment their preparedness for war.

In the sphere of nuclear weapons, priority has been assigned to their quantitative augmentation and to their qualitative improvement, and both will be accomplished in all elements of U.S. offensive strategic forces. The deployment of just 100 MX ICBM's with 10 independently targetable warheads each, envisaged in the strategic program of 2 October 1981, will increase the number

of warheads by almost 1,000. The use of just 10 new Trident I submarines with 24 missiles each (8 independently targetable warheads per missile) instead of the old submarines with Polaris missiles will augment this potential by another 1,700-2,000 warheads. The deployment of strategic cruise missiles on 100 new heavy B-1B bombers and existing B-52 bombers will produce a particularly dramatic quantitative increase. In all, this will mean a minimum of 3,000-4,000 extra warheads, and most likely even more. In addition to all this, there is the plan to install cruise missiles with nuclear warheads on the attack submarines and surface warships of the U.S. Navy.

All of this adds up to 6,000-8,000 new strategic warheads. The United States now has 10,000 strategic warheads (and the USSR, according to the data of the American Defense Department, has 7,000). Therefore, the new program means an increase of 60-80 percent in the number of strategic warheads and a simultaneous attempt to guarantee numerical superiority of 2-2.5 times over the USSR's present strategic forces in terms of this indicator.

It is indicative that the United States plans to augment American medium-range nuclear weapons in Europe by approximately the same amount. They now have over 700 planes carrying medium-range nuclear weapons in Europe. The deployment of an additional 572 Pershing II and Tomahawk missiles is to begin about a year from now. This will be an increase of approximately 80 percent.

The quantitative growth of U.S. strategic forces is, so to speak, only the first level of their augmentation. A second and deeper, even more dangerous level is the qualitative improvement of these forces. The main purpose is the enhancement of the counterforce properties of all elements of the U.S. "strategic triad," particularly their ability to deliver strikes at well-protected and "pinpointed" targets--that is, to strengthen the combat characteristics of strategic weapon systems which will facilitate their use for a first strike.

The MX ICBM will have a much more precise and powerful charge than its predecessor--the Minuteman 3. The Trident I ballistic missile, with which U.S. nuclear submarines are already well equipped, has greater counterforce potential than all previous SLBM's, and the Trident II SLBM will be almost equivalent in terms of combat characteristics to the MX ICBM.

The counterforce capabilities of cruise missiles stem from their exceptionally high degree of accuracy, powerful warheads and concealed approach. This makes the relatively low (subsonic) speed of the cruise missiles an insignificant factor, although it is cited by American experts who call them "retaliatory" weapons. The Pershing II missiles have another element enhancing their first-strike potential: They have reduced the flight time to targets in the Soviet Union to a few minutes (only one-fifth or one-sixth as long as the flight time of U.S.-based ICBM's). The Reagan Administration program will therefore result in the thorough expansion of the destabilizing properties of all strategic weapon systems.

People in Washington are in a kind of provincial ecstasy over plans for the most "exotic" types of future weapons, whether these are nuclear warheads of new design, the lasers reigning in space or other means of technological

warfare. In summer 1982 the Pentagon made a significant addition to the President's strategic program: The U.S. Air Force was ordered to arm itself with an antisatellite system within the next 5 years; on 21 June 1982 the creation of an air force space command was announced. The first antisatellite system, representing a two-stage missile launched from an F-15 fighter plane, is already undergoing intensive testing. On 7 July 1982 President Reagan's directive on national space policy outlined an even broader program of preparation for war in space.

The augmentation of chemical, primarily binary, weapons is being conducted intensively. The accumulation of neutron warheads on U.S. territory for rapid transfer to Europe has been accelerated. Antimissile and antisubmarine research and development projects have been activated.

Although strategic forces constitute a particularly dynamic and menacing component of the U.S. military machine, they absorb less than 20 percent of the record defense budgets. More than 80 percent has been used for the expansion of conventional armed forces, where the prevailing aim is the development of the ability to start and intensify aggressive actions in various parts of the world.

This has led to the modernization of dozens of weapon systems in all branches of the U.S. Armed Forces, the development of numerous new models and the accelerated production of tanks, aircraft, missiles and warships. The "rapid deployment forces"--Washington's police troops--are being augmented even more, primarily for action in the Middle East and the Persian Gulf zone. Now they will consist of up to 5 American divisions instead of 3, 2 Marine divisions, 10 tactical aviation wings, 2 strategic B-52 bomber wings and 3 carrier task forces. The intensive reorganization of the Pentagon's industrial base, supplying the armed forces with ammunition and other materiel, has begun. In the next 5 years stocks of military equipment are to be doubled or tripled: Whereas the present quantity is sufficient to supply the armed forces with all they need for the first 20-30 days of a major war, by 1987 this period will be lengthened to 2 months. Besides this, the reorganization of military industry should expand its production capacities several times over by the end of the current decade. This will cost a minimum of 100 billion dollars.

The specific areas and forms of military preparations have been stipulated in a recently compiled series of basic documents--a directive on national security decisions signed by Ronald Reagan on 17 May 1982, a list of defense objectives for fiscal years 1984-1988 approved by C. Weinberger in April, and a strategic plan submitted by the Pentagon to the National Security Council in August 1982.

They contain detailed instructions for intensive preparations for "protracted" nuclear war, which is expected to last up to 6 months, for attacks on command points, for global conventional war and for subversive activities by special forces in Eastern Europe; they stress that war in the future will be "intensive electronic warfare with the probable use of chemical, biological and nuclear weapons." The main purpose of these documents is to emphasize the need for military superiority over the USSR and victory in the global conflict.

Another of the Washington planners' obsessions is "economic warfare" against the Soviet Union and the hope of exhausting it in an arms race. As the list of military objectives for the coming 5 years stated, U.S. strategy should focus on "capital investments in weapon systems which will make accumulated stocks of Soviet military equipment obsolete," which will supposedly "erode" Soviet economic strength.

Hypnotized by their own rhetoric, the Washington planners are coming into conflict with the realities of the United States and the world around them. This conflict will inevitably lead to the erosion--and in this case it will be real and not imaginary--of the policy which gave rise to it.

The colossal U.S. military expenditures, as M. Weidenbaum said before he resigned from his position as chairman of Reagan's Council of Economic Advisers, "are killing the economy." They have resulted in an unprecedented budget deficit, far in excess of 100 billion dollars; the astounding growth of unemployment, which exceeded 10 percent for the first time since the war in September of this year; the stagnation of whole industries. In reference to the plans for the economic exhaustion of the Soviet Union with the aid of the arms race, the director of one of New York's most prestigious investment firms, B. Biggs, remarked: "We will ruin ourselves." More and more representatives of American business are taking this stand.

The antiwar movement in the United States has acquired dimensions unprecedented since the time of the struggle which compelled ruling circles to stop the aggression in Indochina. The administration's belligerent words and deeds have given millions of Americans something to think about, alarming some and having a sobering effect on others, by constantly reminding them of the possible effects of this militaristic fever on America.

The most serious crisis of the postwar period in relations with allies, especially in Western Europe, engendered by the same militaristic and imperial manner of Washington's behavior, has introduced another complicating factor in the exercise of foreign policy.

Finally, the main thing is this: There is a growing realization in Europe and the United States of the futility of plans for the achievement of American military superiority over the USSR and the senselessness of the hope of winning the war. In the first place, years of historical experience have proved several times that the Soviet Union is capable of counteracting all attempts to disrupt military parity. In the second place, as former U.S. President R. Nixon maliciously remarked just recently, "the threat of mutual suicide unlikely." The overwhelming majority of Americans realized that any attempt to deliver a first nuclear strike will evoke a devastating response.

The peaceful initiatives of the Soviet Union and its persistent attempts to defend and deepen the process of detente are winning more and more support in the West, including the United States. As General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I.

Brezhnev stressed, "on the whole, detente is a historic conquest of the people. It must not be subjected to bestial treatment by narrowminded, egotistical politicians in the imperialist camp. It must be protected, developed and deepened. This will signify the triumph of human reason over dangerous and reckless aggressiveness. We believe in this triumph because we believe in man's reason and, what is more, in people's instinct for self-preservation." The Leninist foreign policy consistently pursued by the Soviet State since the first days of Great October will invariably serve this noble goal.

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OPPRESSION OF NONWHITES, 'ETHNIC' MINORITIES SURVEYED

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[Article by I. A. Genevskiy and S. A. Chervonnaya: "The Deadlock of Policy on Minorities"; passages rendered in all capital letters printed in boldface in source]

[Text] Ethnic relations in the United States represent one of the central domestic policy issues which have affected important spheres of national life throughout U.S. history. The American nationality is a young ethnic entity. The process of ethnic consolidation has not been completed here as yet. This nationality includes some undiluted components. The ethnic issue in the United States encompasses the entire complex of relations between various ethnic groups, their socioeconomic status and position in the structure of American society, the policy of the government and other social forces in this area, the ideological substantiation of this policy and the struggle of the masses against ethnic oppression.

When we analyze a social phenomenon as complex as ethnic relations in the United States, we must remember "...the SPECIFIC features of the ethnic issue and ethnic movements in the SPECIFIC country in the SPECIFIC era."¹ The concrete content of this problem during different periods of U.S. history has been distinguished by certain specific features, various aspects have taken the forefront (negro slavery, immigrant problems, etc.), and there have been changes in the forms of oppression suffered by various ethnic minorities. One unchanging factor was that ethnic relations developed under the conditions of an exploitative social order. This presupposed the preservation of the unequal, inferior status of ethnic minorities and period outbursts of ethnic friction. The latest of these outbursts has been witnessed in the United States in the last two decades.

Bourgeois ideologists strive to depict the United States as some kind of "ideal model" of the multiethnic state, in which the ethnic issue has supposedly been resolved by democratic means. For example, Professor G. Hall alleges that the republic established by the founding fathers is "a free nation which has emerged from the melting pot, a unique example of a state in which all people are united by a desire for freedom."² This kind of propaganda about the uniqueness of the U.S. political structure and boundless

praise for its experience in interethnic relations are supposed to conceal the truth about the status of ethnic minorities in the country from the world public and serve as ideological validation of American imperialism's hegemonistic ambitions.

The 'Moral Mission,' or the Policy of Violence

Current ethnic problems in the United States stem from the peculiarities of the country's historical development and the formation of the American nationality. Many bourgeois authors paint idyllic pictures of the past, exaggerating some events and obscuring others. There are two particularly widespread apologetic interpretations of U.S. history--the "peaceful" nature of U.S. historical development and the "moral mission" of the United States. For example, American diplomat J. Carter stated that U.S. territorial expansion has been "painless" since the time of the country's founding.³ Historian S. Bemis suggests that the United States "did not commit a single injustice" when it expanded its territory.⁴ The annexation of new lands has traditionally been interpreted as the expansion of the "zone of freedom" as part of the civilizing mission of the "white man" who carried the best of everything to the population of the annexed territories. As for the policy of territorial conquests, American politicians and historians have not even taken the trouble to seek validation. John Adams, one of the founding fathers of the republic, was already describing this policy as a "law of nature." This view was later amplified in the doctrine of U.S. "manifest destiny"--the precursor of current ideological concepts substantiating U.S. claims to "world leadership."

American historian O. Handlin began his study of European immigrants in the United States with the words: "I once thought of writing the history of the immigrants in America, but I later realized that the immigrants are American history."⁵ It is true that immigration is an important part of the history of the contemporary American nationality's formation, but it is not the only part. American historians have preferred in many cases not to mention some ethnic components of the population which were either brought to the United States against their will or were the native inhabitants of the continent. This reflects not only a racist contempt for colored people but also a reluctance to look into the blood-spattered pages of U.S. history.

Although the founding fathers proclaimed the democratic principle of equality in the Declaration of Independence (1776), they did not extend it to the country's black inhabitants or to the natives of this land. The Constitution actually sanctified slavery and the United States was founded as a state on a racist basis. "Only racism," H. Aptheker correctly points out, "can explain why the same revolutionaries who went into battle (against the English--author) with the motto 'Give me liberty or give me death!' on their banners kept more than half a million slaves on their fields."⁶ The democratic freedoms proclaimed in the Bill of Rights (1789) extended neither to negroes nor to Indians and other colored inhabitants of the country.

The policy of the state and its dominant classes differed with regard to each group of nonwhites. Negro slaves were brutally exploited by plantation owners and the abolition of slavery made them the targets of superexploitation

by the capitalists. The U.S. authorities pursued a policy of genocide against the native population: The Indians were subjected to mass extermination, were deprived of their lands, political rights and means of subsistence and were driven onto arid reservations. During the westward movement, the United States, according to W. Foster, "displayed as much brutality as the soldiers of Cortez and Pizarro and mercilessly crowded out rival capitalist powers and the Indian population."⁷ Many tribes were massacred down to the last member, prisoners were roasted over a slow fire or scalped, and treaties and agreements with the tribes were cynically and treacherously broken. These well-known incidents of brutality were not isolated cases of excesses on the part of some colonists, but state policy. It was no coincidence that some commanders of punitive detachments--Z. Taylor, A. Jackson and W. Harrison--who made a career of the barbarous extermination of Indians, later became presidents of the United States.

Many Mexicans became inhabitants of the United States as a result of aggressive wars with Mexico. Washington seized approximately half of its territory, around 1 million square miles (now the states of Texas, California, Arizona, Nevada, Utah, New Mexico and part of Wyoming). American historians have written enthusiastically about the policy of territorial conquests based on the survival of the fittest, - making references to a "natural and inevitable process," to a heavenly ordained mission and to the idea of "manifest destiny," and have justified all of the expansionist ambitions of the U.S. ruling class.

In accordance with an 1848 peace treaty with Mexico (Art 9), the United States pledged to guarantee the Mexican population on the conquered territory "a chance to exercise all of the rights of U.S. citizens in accordance with constitutional principles and enjoy all freedoms and property rights." But this pledge was violated flagrantly. As R. Gomez, University of Texas instructor, stresses, Mexican-Americans "were not given these rights. They were treated like members of an inferior race, their property was taken away from them, their rights were infringed and they were often executed without a trial."⁸

The Puerto Ricans, another Hispanic group, found themselves in a position similar to that of the Mexican-Americans. After the conquest of Puerto Rico in 1898, the island was actually turned into an American colony, its natural wealth was plundered and its population was brutally exploited by American corporations and banks. The more than 2.5 million Puerto Ricans in the United States are an oppressed ethnic minority.

As we can see, the addition of new ethnic groups to the U.S. population was not only the result of immigration, but also of the forced entry of African slaves, the annexation of the territory of other states and the subjugation of their population, and the seizure of lands from the native inhabitants. The common denominator of state policy toward the blacks, Indians, Mexicans and other nonwhites was its flagrant violent nature. These minorities were the targets of racial discrimination, superexploitation and robbery, and their national culture and traditional way of life were suppressed and destroyed.

The policy of violence conducted either directly by the state or through its strength and influence was constantly opposed by the oppressed minorities. As a result of their stubborn struggle, some segregating barriers were eliminated, laws were passed on civil rights, more skilled jobs were offered to minorities and overt discrimination was diminished. All that the colored Americans have today was not given to them out of charity, but was wrested by them in battle against the American powers that be. One big lie is the propagandistic allusion by many American bourgeois scholars to the "moral" nature of the negro problem,⁹ which famous sociologist G. Myrdal was already analyzing in the 1940's. The essence of this concept is that there is some kind of unfortunate discrepancy between the egalitarian "American creed" and the practice of discrimination. In fact, however, the "American creed," if this is supposed to mean the prevailing ideology, was not egalitarianism, but class and ethnic inequality, racism and bourgeois nationalism. These views, modified to fit present conditions, are still being cultivated in every way possible by the American bourgeoisie. They are in its economic and political interest and constitute the basis of its treatment of colored Americans. This is why the latter are still "second-class" citizens.¹⁰

Although ruling circles had to make some concessions with regard to the rights and interests of colored Americans (vocational training, hiring practices, college admission requirements and the desegregation of the schools) under the pressure of mass struggle in the 1960's, all of these social programs have undergone cuts since the beginning of the 1970's. The attack on the gains of colored minorities began under the Republican Administrations of R. Nixon and G. Ford, who opposed the busing of children for the desegregation of schools and the so-called quota system for nonwhites in employment and higher education. Bilingual teaching programs were cut under President Carter. The black population of Miami was subjected to brutal reprisals when it protested the authoritarian actions of the courts and the police.

The most sweeping attack on the vital interests and rights of colored minorities was launched under the Reagan Administration. Cuts in social allocations, especially for various types of aid to the poor, had the most severe effect on nonwhite Americans. Stronger efforts were made to divest the few remaining "affirmative action" programs of much of their meaning. The Supreme Court, in which conservatives hold the majority, made several decisions against the interests of colored minorities. In 1981, for example, it upheld the "legality" of the dismissal of a worker named Hector Garcia for speaking Spanish to his colleagues on the job. This decision is woefully inconsistent with the 1964 Act on civil rights and is also a flagrant violation of the 1848 treaty with Mexico. As G. Baca, head of the Committee for Chicano Rights, said, the court decision reflected the desire of U.S. ruling circles "to perpetuate the existing system of apartheid for Hispanics in the Southwest."

The U.S. Supreme Court decisions on "The City of Mobile vs. Bolden" (1980), "City of Memphis vs. Green" (1981) and "American Tobacco Company vs. Patterson" (April 1982) took on a sinister aspect. In these decisions the Supreme Court formulated the doctrine of "deliberate discrimination." It says in essence that any discriminatory program or practice can be recognized as such by the court only if it can be proved that it was instituted with the

deliberate intention to commit discrimination. Assessing these decisions and Reagan Administration policy on colored minorities, the DAILY WORLD remarked: "It is not difficult to see that it would be virtually impossible to prove a deliberate intention to commit discrimination. Racists can refuse any kind of testimony by simply denying that the discrimination was intended."

The Supreme Court decisions represent another stone in the judicial and political edifice which the Reagan Administration is trying to fortify in the interests of the financial and industrial monopolies ruling the country. For the implementation of this policy, the President can expect support from a large segment of the Congress. All of the gains of the civil rights struggle over the last century are being attacked. Furthermore, it would be wrong to say that this policy threatens only Afro-Americans, although they are indisputably its main target. The Hispanic population, immigrants from Asia and the Pacific islands and Indians are also being affected by the attack on the "affirmative action" programs and on school desegregation.

Models and Realities of Life

Ethnic oppression and inequality are being suffered not only by colored Americans but also by other ethnic groups not belonging to the Anglo-Saxon nucleus. The "Promised Land" has always imposed harsh terms of adaptation on immigrants. Of course, in comparison to the earlier limited monarchies and reactionary regimes in European states, the U.S. political order was more democratic and, besides this, immigrants from Europe had more opportunity here to display personal initiative, acquire land, find jobs, etc. They did not, however, become full and equal citizens of their new country. The dominant positions in the economy, in politics and in social and cultural life were firmly in the possession of the nucleus of old-time residents; it consisted mainly of immigrants from England as well as from Holland, Germany and the Scandinavian countries. They represented the nucleus of the young American nationality which took shape at the end of the 18th century. They--or, more precisely, the ruling circles of the young republic--were the ones who, in the words of contemporary American historian D. Hyam, set the rigid rules of the "form of government, language, work and settlement patterns and many customs to which immigrants had to adapt."¹¹ Immigrants from other countries encountered ethnic, cultural and linguistic intolerance in the United States.

The ideological basis of the policy on various ethnic groups was the so-called Anglo-conformist model. Its outlines were already being defined by some of the founding fathers of the republic, and today their position on this matter is undergoing obvious idealization. "The founding fathers," F. Burke, head of the New Jersey State Department of Education, said recently, "did not want the standardization of groups of voters with different languages and cultures. On the contrary, they tried to protect them from this kind of treatment."¹² This is an obvious misrepresentation. In a letter to John Adams, George Washington unequivocally stated that immigrants should not retain "their language, customs and attitudes."¹³ In 1818, when John Quincy Adams was U.S. secretary of state, he wrote that all immigrants "should shed the skin of their ancestors forever and never give it any more thought."¹⁴ This kind of intolerance for everyone not conforming to set standards in this sphere was

later elevated to the rank of government policy. The purpose was the establishment of the English language and the existing culture, standards and institutions, the retention of Americans of Anglo-Saxon origins on the highest rungs of the hierarchical ladder and the maintenance of the exploitative elite in the dominant position in the society.

Discrimination against immigrants became particularly pronounced in the last quarter of the 19th century, when most of them were coming from the economically backward countries of Italy, Austria and Russia. V. I. Lenin called these two currents the "old" and "new" immigration.¹⁵ Between 1891 and 1920 the new immigration exceeded the numbers of the old 3-fold. "In the United States," V. I. Lenin noted, "immigrants from Eastern and Southern Europe have the lowest-paid jobs, and American workers are given the highest percentage of promotions to supervisory positions and the highest-paid jobs." V. I. Lenin viewed this as a symptom of imperialism's inherent tendency "to single out privileged categories of workers and separate them from the broad proletarian masses."¹⁶

Various types of unscientific racist and nationalist theories, denying or belittling the contribution of non-Anglo-Saxon immigrants to the national culture, have always served as the ideological basis of the Anglo-conformist model. For example, prominent historian H. Fairchild contrasted the "courageous, fearless and strong" Anglo-Saxon settlers to the later "unfortunate, weak and dependent" immigrants. He portrays the United States as "a country founded by white settlers, mostly from Great Britain."¹⁷

The arguments cited in support of the Anglo-conformist model are based on chauvinistic beliefs about the superiority of the "Anglo-Saxon race" and the inferiority of the culture of other peoples, including the Europeans. The supporters of this model have always advocated the Americanization of immigrants. It is true that the involvement of settlers and their descendants in U.S. economic, social and cultural life led to their assimilation. This was a complex and contradictory process and was simultaneously natural and forced. Furthermore, it was precisely the forced processes of assimilation that were the main ones, reflecting the essence of the Anglo-conformist model.

According to the definition of renowned Soviet ethnographer Yu. V. Bromley, forced assimilation represents "a system of measures taken by the government or local authorities in education and other spheres of social life to artificially accelerate the process of assimilation by suppressing or restraining the language and culture of ethnic minorities, influencing their self-awareness, etc."¹⁸ The role of the government in the implementation of the assimilation of policy is correctly underscored in this definition. In the United States this policy has been actively pursued by all three branches of government (executive, legislative and judiciary) and government agencies on various levels (federal, state and local).

But the machinery of assimilation in the United States is not confined to government institutions. The entire sophisticated system of political, economic and ideological means used by the ruling class to preserve its own

authority and govern the society has the same effect. Corporations, bourgeois parties, reactionary public organizations, the mass media and scientific propaganda centers have always aided in the implementation of assimilation policy. Cultivated racist and nationalist prejudices have always played an important role, as have the standards of morality, ethics, social behavior and lifestyle which new arrivals must observe if they wish to rise out of the lower depths of society. The daily disregard for the political, economic, social and cultural rights of ethnic minority groups and their members and the unofficial discrimination in all spheres of life were of tremendous significance.

In the United States the historically progressive process of ethnic convergence took the form of forcible Americanization, the suppression of national languages and cultures and the condemnation of everything foreign as anti-American. Former Congressman R. Pucinski, a Polish-American, made the bitter comment that in the United States definite preference has always been given to "the ideal of cultural uniformity achieved through assimilation: The meaning with which the term 'Americanism' was invested quite often implied that all members of ethnic groups would have to resolutely sever all ties with their unique cultural past to become 'real' Americans. This has given many of our citizens a sense of cultural inferiority and the feeling that they are second-class citizens if they have preserved the customs, traditions and lifestyle of their ancestors."¹⁹

Americanization was aimed at more than just the forcible destruction of the immigrant's language and culture. It included the attainment of political and ideological conformity to "purge" the immigrant of the experience in social struggle he had brought with him from Europe and of ideas potentially dangerous to the American political system.

At the end of the last century another theory about the formation of the American nationality came into being--amalgamation. Its supporters believed that the development of the American nationality should be accomplished not through the imposition of Anglo-Saxon standards but through the free merger of various European peoples and cultures and the creation of a new socio-ethnic entity. The most famous variation on this theme was the "melting pot" model. The term comes from a play by immigrant writer J. Zangwill, "The Melting Pot" (1919), in which the hero, young immigrant Horatio Alger, sees the New York skyline from on board a ship and exclaims: "America--a gigantic melting pot created by God, where all of the peoples of Europe come together. The Germans and the French, the Irish and the English, the Jews and the Russians--all of them in this pot! This is how the Lord is creating the American nationality."²⁰

But the development of ethnic processes in the United States did not actually conform to the "free merger" idea. Racial prejudice, discrimination and segregation kept many millions of colored Americans from even approaching this "pot." As for white immigrants, the policy of their forcible assimilation bore little resemblance to the free merger of nationalities. It is not surprising that some ethnic groups stubbornly defended their culture, church and intraethnic social ties. The theory of "cultural pluralism" was an ideological expression of protest against forcible Americanization. It was first

formulated by philosopher H. Kallen. In an article in THE NATION, a liberal weekly magazine, in 1915, Kallen said that what the American society needed was not the melting of individual ethnic groups into a standardized mass, but the protection and encouragement of the cultures of these groups. He advocated the preservation of the wealth and diversity of their heritage and the creation of a society built on the principles of the federated unification of various ethnocultural groups.²¹ Kallen called his article "Democracy vs. the Melting Pot."

His utopian model of the American society was an attempt to work out a democratic alternative to the policy and ideology of forcible Americanization. This was its progressive aspect. Kallen's theory, however, reduced the complex and multidimensional problem of interethnic ties to the interrelations of various cultures, ignoring other fundamental problems connected with the minorities' status in society. What is more, Kallen completely ignored the issue of black and other colored Americans.

The outburst of chauvinism during the years of World War I and the subsequent campaign for the persecution of foreigners kept the theory of "cultural pluralism" from gaining a firm footing. It became popular only after World War II. By this time, however, it had been taken up by reactionary politicians, who reworded it to meet their own needs and to place it at the service of propaganda of the American way of life. Whereas Kallen proposed "cultural pluralism" primarily as a program that needed to be carried out, these politicians portrayed it as a supposedly tangible and existing model. In this new interpretation the concept of "cultural pluralism" was actively used for anticommunist and anti-Soviet purposes and was put to work in the service of the cold war and the ideological offensive against the developing countries. According to D. Huthmacher, the American attitude toward minorities became the deciding factor in the ideological struggle against socialism: The United States tried to "prove the superiority of its way of life as one offering ethnic groups the best opportunities."²² The American "pluralistic" society was praised in every way possible and was contrasted to the "totalitarian" society in the socialist countries.

This modern apologetic variation on the theme of "cultural pluralism" was set forth in concentrated form in the foreword to the second edition of "Beyond the Melting Pot," a study by sociologists N. Glazer and D. Moynihan. They alleged that the pluralistic ethnic model created the best opportunities for the positive use of existing differences between groups, that it allowed the individual to choose the best way of making a living and that it did not force him to live under the conforming conditions of an "Americanized" society based on "rigid segregation."²³

N. Glazer and D. Moynihan used the neologism "ethnicity" to signify "the maximum augmentation of ethnic factors in social life." The significance of these factors has certainly increased in recent decades, but N. Glazer and D. Moynihan did not merely ascertain this fact; they almost raised it to the status of an absolute by alleging that ethnic groups are the "main elements of society" and that "ethnicity is the main center for the mobilization of interests."²⁴ The purpose of these allegations was to minimize the

significance of the class divisions of society, to portray ethnic relations as something more important than, and independent of, class relations, and to impede the development of the joint struggle of the laboring masses of various races and ethnic groups against their common enemy--monopoly capital. Reactionary circles have recently tried to channel the dissatisfaction of white laborers from ethnic minorities against the colored Americans, against their "excessive" demands, and to pit various groups of whites against one another. Exposing this "divide and conquer policy," which is as old as the world, the Communist Party of the United States of America noted in its new program: "In spite of their wealth of differences and distinctive features, the people of the United States represent a single national family. The lives and fates of Americans are closely connected with one another.... They gain nothing from internal discord. The multiracial, multinational working class of the United States represents an organic entity whose common labor and interests unite it with ties just as strong as family ties."²⁵

The results of the ethnic policy of the U.S. ruling class and the many purposes of this policy are particularly apparent today. On the one hand, the distinctive culture and language of white immigrants and their descendants have been stamped out by all possible means. A spirit of conformity has been cultivated in these immigrants and the prevailing system of values and standards of behavior has been imposed on them. However, although the bourgeois society has tried to erase these ethnic differences in order to turn immigrants into "100-percent Americans," it has certainly not tried to accomplish their complete, "100-percent" assimilation. Assimilation and Americanization were conducted intensely within the limits necessary for the use of immigrants in the capacity of manpower, their transformation into obedient targets of ideological and political manipulation and the eradication of all their "foreign" features, especially their radical views. At the same time, the American ruling class did not desire the genuine comprehensive integration of ethnic groups and kept them on a specific level of the hierarchy in American society, somewhere between the colored population and the old-time residents. Processes of class stratification took place within each ethnic group, a petty and middle bourgeoisie took shape and isolated individuals infiltrated the ranks of the grand bourgeoisie and political elite. But access to the "summit" was complicated in every way possible for members of ethnic groups and the Anglo-Saxon elite jealously guarded its own position and privileges.

The Disintegration of the 'American Dream'

Propaganda about the allegedly unique opportunities of immigrants has always played an important part in the conduct of the American bourgeoisie's ethnic policy. The myth of unlimited social mobility has been cultivated intensively in the American mind. This "American dream" served as an instrument of class division and the encouragement of bourgeois individualism. It helped the bourgeoisie manipulate the thinking of the laboring public and give it groundless illusions. Life itself proved to millions of European immigrants and their descendants (not to mention the colored Americans) that insurmountable obstacles would keep the overwhelming majority of them from attaining the "American dream." The growing realization of this was one of the reasons for the organized movement of white ethnic groups.

The increasingly active protests of white ethnic groups in the last decade came as a surprise to U.S. ruling circles and American bourgeois science. Ethnic minorities, N. Glazer and D. Moynihan admitted, made their presence known at a time when, according to theories, they were already supposed to be disappearing.²⁶

The increasing activity of white ethnic minorities must be examined within the concrete historical context of recent decades--the radical changes in the world arena, the intensification of the general crisis of capitalism and the intensification of the external and internal contradictions of American imperialism. The defeat of fascism with its racist nationalist ideology, the establishment of the equality of all races, nationalities and ethnic groups in international law, and the collapse of the colonial system--all of these historic changes in the world, which were accomplished with the active participation of the USSR and other socialist countries, helped to elevate the ethnic consciousness and strengthen feelings of national pride. Now that dozens of independent states have been founded by imperialism's former slaves, the maintenance of various forms of ethnic inequality in the United States and several other Western countries is regarded by all ethnic groups, including white ones, as an intolerable phenomenon.

Long ago, Marxists predicted the possibility of the intensification of ethnic conflicts in the developed capitalist countries. "Class antagonism," V. I. Lenin wrote, "has now pushed ethnic issues far into the background, but we cannot say categorically, without taking the risk of making doctrinaire statements, that the temporary advancement of an ethnic issue to the front and center of the political stage would be impossible."²⁷ V. I. Lenin based this conclusion on the belief that capitalist conditions retain the medium for ethnic inequality and oppression. "Each of these 'great' nationalities," V. I. Lenin said, "oppresses other nationalities in the colonies and within the country."²⁸ More intense political reaction in all areas, including ethnic oppression, is characteristic, as V. I. Lenin repeatedly pointed out, of the age of imperialism.

The aggravation of ethnic relations in the United States in the postwar period went through several phases. A strong movement by the black population for formal equality and against discrimination and segregation was launched at the end of the 1950's. This struggle, supported by millions of white Americans, was one of the main causes of the sociopolitical crisis with which the country was afflicted in the 1960's.

The heroic marches of the fighters for civil rights and the spontaneous riots in the black ghettos drew other colored groups into the struggle. In the mid-1960's it was joined by Chicanos, Puerto Ricans and Indians, and this was followed by increasing activity on the part of ethnic groups of European origins. A characteristic feature of the present stage in ethnic relations is participation by virtually all ethnic groups, suffering to some degree from oppression and inequality, in the struggle for their rights.

Although the more odious forms of this oppression are past history, ethnic minorities of European origins are subjected to many types of discrimination. In particular, this discrimination has given them a peculiar socioprofessional

structure. For example, there is a much higher percentage of industrial workers among people from Eastern and Southern Europe (and among blacks and other colored Americans). Professor G. Abramson, who studied the situation in the state of Connecticut, cited the following data: 78 Polish-Americans, 70 percent of other Americans from Eastern Europe and 65 percent of the Americans of Italian origins were physical laborers ("blue-collar" workers), while the figures for Americans of Anglo-Saxon origins and Americans from Northern Europe was 38 percent.²⁹ Furthermore, among the "blue-collar workers" belonging to these ethnic groups, there is a disproportionately high percentage of people performing unskilled and semiskilled work and a negligible percentage of skilled workers and foremen.

Many American researchers have noted that immigrants from Eastern and Southern Europe rarely reach the highest rungs of the social ladder in business and public administration. According to A. Greeley, the director of the University of Chicago Center for the Study of American Pluralism, there is "irrefutable proof of the insufficient representation of ethnic groups in all positions of responsibility."³⁰

Discrimination has also affected the educational level of several white ethnic groups. According to official statistics, 70.4 percent of the Americans of Anglo-Saxon origins had a secondary education in 1978 and the figure was 63.9 percent for Americans of German origins, but it was only 54.9 percent for immigrants from Poland and their descendants, 54.1 percent for Americans from Italy, 48.3 percent for immigrants from Hungary and 42.6 percent for people from Czechoslovakia.³¹ According to G. Abramson's data, at the beginning of the 1970's only 14 percent of the Polish-Americans and 16 percent of the members of other Eastern European ethnic groups had a complete or partial higher education, but the figure was 33 percent for Americans of Anglo-Saxon origins.³²

There are definite differences in the average income levels of various ethnic groups. For example, the income of the majority of Italian-American families is far below the national average.³³ The group of families classified in statistics as high-income families includes 11.4 percent of the families of Anglo-Saxon origins, but only 5.4 percent of Polish-American families and 7.2 percent of the families of members of other Eastern European minorities.³⁴

The inequality of Eastern and Southern European ethnic groups is clearly evident in the political sphere. The historically determined and carefully guarded hegemony of Anglo-Saxon politicians is still keeping other ethnic groups from attaining proportional representation in elected organs of power and the machinery of state. According to a study conducted by the National Center on Urban Ethnic Problems, "the representation of white Protestant groups in the U.S. Congress far exceeds their share of the national population, while the representation of the majority of Catholic and ethnic groups is obviously inadequate."³⁵ This disparity is also characteristic of state and local government and various institutions and agencies.

Third- and even fourth-generation immigrants from Eastern and Southern Europe still encounter discrimination in social life and everyday affairs and still sense the distance separating them from "real" Americans. The brutal

suppression of ethnic culture, contempt for the history of minorities, the cultivation of ideas about the superiority of Anglo-Saxon culture, family traditions and everyday customs, and the spread of demeaning ethnic stereotypes all influence mass attitudes in the country, including the mentality of the minorities themselves. In his book "Ethnic Alienation," State University of New York instructor P. Gallo wrote that "affiliation with an ethnic group" in the United States engenders "a keen sense of one's own inferior status and the feeling that society undervalues the individual and his group."³⁶ The force of the unofficial but actually operating mechanism for the suppression of the Americans' cultural and ethnic features is attested to by the bitter confessions of New York playwright A. Innaurato. To climb the social ladder, he had to reject everything connected with his ethnic group and his proletarian origins. "I," Innaurato said, "never even thought about my Italian origins or my parents. I did not admit that I came from the working class. I stopped seeing my family and I did not want any of my relatives to visit me."³⁷

In the 1970's the problems facing white ethnic groups, particularly the laboring masses, became much more acute. The reason was the general deterioration of economic conditions in the country, the rising rates of unemployment and inflation, the capitalist attack on the vital interests of the working class, the technological changes in production which decreased the demand for semi-skilled manpower and the government policy of increasing military spending at the cost of social allocations.

Some of the successes of the blacks and other colored Americans, as we have already mentioned, stimulated white ethnic groups to take action. The need to act as individual ethnic groups with their own specific demands was also dictated by the failure of the government, the two bourgeois parties and the rightwing labor leaders to pay attention to their needs. The general deterioration of economic conditions in the United States, the exacerbation of the problems of inflation and unemployment, the drop in the standard of living of the masses and the dramatic reduction of "social mobility" opportunities for individual advancement all motivated members of white ethnic groups to issue demands on behalf of the group "as a whole."

The increasing activity of ethnic groups was not simply a matter of financial interests. Some of the reasons for the elevation of the ethnic consciousness are not directly related to the protection of socioeconomic or political interests. Immigrants and their descendants are starting to take more pride in their origins and cultural heritage and want their contribution to the American culture to be acknowledged. This increasing self-awareness and the growing significance of ethnic self-identification are more than just a protest against discrimination and the bourgeois ideology of ethnic inequality and oppression in the United States. They are also a symptom of the crisis of bourgeois ideology, the declining influence of the prevailing system of values and the devaluation of "100-percent Americanism" and its prestige.

Racism and all forms of ethnic inequality and oppression in the United States are organically connected with the existing system, which is based on the principles of exploitation. Monopoly capital is the main force supporting

ethnic oppression in the United States. This is why progressive forces believe that the struggle against all forms of inequality cannot be separated from the struggle against monopoly capital.

The United States today is a country where 50 million colored Americans are still the victims of racial, ethnic and class oppression, where white ethnic minorities, as demonstrated above, are subjected to actual discrimination and where the ideology of racism and bourgeois nationalism is flourishing. The bourgeois society in the United States has proved its inability to solve ethnic problems and guarantee ethnic groups genuine liberty and equality.

The achievements of the USSR in the resolution of ethnic problems are particularly vivid against this background. No other state in history has accomplished so much so quickly for the all-round development of nationalities and ethnic groups, for the establishment of relations of trust and mutual assistance among them and for the triumph of the ideas of the fraternity of peoples. The USSR's successes of worldwide historic significance in this sphere are vivid proof of the triumph of the CPSU's Leninist policy on nationalities.

FOOTNOTES

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CONSEQUENCES, LESSONS OF FALKLANDS WAR SURVEYED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 11, Nov 82
(signed to press 21 Oct 82) pp 19-31

[Article by K. N. Brutents: "Conflict in the South Atlantic: Some Consequences and Lessons"]

[Text] No guns, bombs, or missiles have been heard in the South Atlantic for several months now. The Falkland (Malvinas) Islands are quiet and their inhabitants have returned to their customary way of life. The reinforced British garrison and the half-destroyed Port Stanley are the only reminders of the recent conflict. It might appear that the waters of the Atlantic swallowed not only a dozen British ships, and not only hundreds of young people who met their death as a result of England's colonial expedition, but even the echoes of the noisy battles that were fought here.

In reality, however, everything is quite different. As the conflict recedes further into the past, it is increasingly apparent that it could have profound, largely irreversible political consequences, primarily for the Latin American countries.

I

For the first time since the war an imperialist power resorted to large-scale military operations with the use of the latest equipment against a Latin American state in order to defend its colonial positions. Furthermore, this power was supported by the leading states of the capitalist world, and its opponent, Argentina, was supported by the overwhelming majority of Latin American countries and many other states. For this reason alone, the conflict far transcended the bounds of relations between the two states. It took on regional overtones and will most likely have broader international consequences.

Latin America is one of the regions whose role in international life and in contemporary world developments has grown noticeably more important in recent decades. This is due to its dimensions, the strategic location of the region and its heightened significance in contemporary world economic ties.

The role of Latin America also stems from the massive and important socio-economic and political changes taking place in this region. They have consisted mainly in a constant movement toward deliverance from prolonged

domination and exploitation by the United States and from U.S.-nurtured undemocratic regimes. Despite the fact the level of the liberation struggle on the continent is still uneven and that there are still many contrasts here--from the hardly disturbed tyranny of oligarchic governments in some countries to stormy liberation battles in others--the main tendency in Latin America as a whole is clear: the growth of national awareness and a stronger desire for independence, social progress and a fitting place in the international arena.

All of these processes, however, are contrary to the U.S. intention, which has been displayed in a particularly vigorous and crude form under the Reagan Administration, to keep the Latin American countries within the sphere of U.S. political, economic and military influence. It is in this context and on this regional level that the Anglo-Argentine conflict should be analyzed, with a view to Latin America's current stage of development.

The conflict over the Falkland (Malvinas) Islands is known to have been caused by England's stubborn reluctance to give up this fragment of its bygone colonial empire and, in principle, it cannot be examined outside the general framework of the collapse of the colonial system. Objective observers have noted that the Argentine Government took a fairly flexible stand when it announced its willingness to respect the interests of the island inhabitants, assist them, accept the guarantees stipulated by the United Nations and, finally, agree to English participation in the exploitation of the archipelago's resources.

The military conflict was actually caused by England's obstructionist behavior and its underestimation of Argentina's determination to restore its sovereignty over the islands, a determination which certainly cannot be viewed in isolation from the general atmosphere on the continent or from the desire of the Latin American countries to affirm their national dignity and put an end to all remaining traces of the colonial era in the Western Hemisphere.¹

The Argentine military junta's decision to resort to force was influenced considerably, as the foreign and, in particular, the American press reported, by its expectation of the support, or at least the well-disposed neutrality, of the United States. This expectation was based on Washington's general line in the Western Hemisphere and its relations with the Argentine military government, which was regarded as a reliable U.S. ally. The present administration put an end to the vacillation and inconsistency displayed by the administration of J. Carter, who was prone to ostentatiously condemn military regimes, which had a particularly adverse effect on relations with Argentina. As New York University Professor C. Astiz stressed, "the Reagan Administration's first political decisions indicated a willingness to reach agreement with conservative regimes and more pronounced hostility toward progressive forces objecting to the status quo."²

When the White House acquired its new master, relations between the United States and Argentina improved perceptibly. In accordance with the wishes of the United States, Argentina actively supported its plans for intervention and the suppression of the national liberation movement in Central America. American newspapers reported that Argentine officers took part in the struggle of

Salvadoran "partisans" and in the training of Nicaraguan counterrevolutionaries. The Pentagon expected Argentine generals to support the plans for the construction of the "South Atlantic Treaty Organization (SATO), uniting Brazil, Argentina and South Africa."³

But the junta's expectations were unjustified. After a few brief efforts to restore the status quo by means of negotiations, the United States stopped trying to take an impartial stand, even if only on the surface, and openly took England's side. The United States not only gave England active political support inside and outside the United Nations and pressured other Latin American countries not to take Argentina's side, but also gave the English extensive military assistance, which was essentially what made Great Britain's impressive military efforts for the seizure of the Falkland (Malvinas) Islands possible. The London OBSERVER remarked: "Washington underestimates the importance of the material support the English received, although it is quite obvious that it was of decisive significance in the organization of an effective invasion."⁴

The United States followed Great Britain in the institution of economic sanctions against Argentina: the temporary cessation of all military shipments and the extension of new credit and guarantees by the Export-Import Bank and the cancellation of Commercial Credit Corporation guarantees.

What were the United States' motives?

In the first place, Argentina's action, which was originally anticolonial but acquired more distinct anti-imperialist outlines as the situation developed, reflected the general tendency in Latin America toward the consolidation of independence and the elimination of imperialist influence in the foreign policy sphere.

In the second place, much was dictated by military strategic considerations and the desire to keep the islands under the control of a NATO ally and, consequently, to keep them in the capacity of a base accessible to the United States. It was no coincidence that a CIA report on the Falkland (Malvinas) Islands said: "In the geographic sense, Argentina dominates the ocean route between the South Atlantic and the Pacific.... In the event that the Panama Canal becomes inoperable or inaccessible, or in the event of a lengthy war, this route will be of great strategic significance."⁵

In the third place, it was naturally the factor of inter-imperialist "solidarity" and the desire to support the United States' ultra-Atlantic ally, the most energetic supporter of U.S. anti-Soviet and militaristic plans, and to prevent the debilitation of the Conservative Thatcher Government and the growth of the influence of the Labor opposition, whose official program resolutely rejects Reagan's plans for the arms race.

Other imperialist states took a similar stand. England's EEC partners imposed an embargo on imports of goods from Argentina, cut off all credit to this country and froze its accounts in their banks. At a time when Argentina's foreign debt exceeded 36 billion dollars, the embargo was expected to empty

the Argentine treasury within a matter of a few days, bring about the mass withdrawal of capital from the country and ultimately cause it financial ruin.

It was soon learned that the position taken by the leading capitalist states, especially the United States, was opposed by almost all of Latin America, and not just Argentina. Whereas the Argentine generals had made a mistake in hoping for the sympathy of Washington, it also made an obvious mistake when it underestimated the counterreaction of the Latin American states and their willingness to openly oppose their mighty northern neighbor.

2

In contrast to the United States and other imperialist states and, to some degree, even in counterbalance to their collective anti-Argentine position, the majority of Latin American countries supported Argentina. Of the 21 Latin American states belonging to the OAS, 17 condemned England's position, which was supported by the United States, and announced their solidarity with Argentina. Peru and Venezuela announced their willingness to offer Argentina the necessary military assistance. In essence, the crisis in the South Atlantic engendered the most impressive demonstration in many years of the marked political unity of the majority of Latin American countries, and, what is more--virtually for the first time in the history of inter-American relations--not only on an anti-imperialist basis, but also on an anti-American basis to some degree.

On 9 July the CHRISTIAN SCIENCE MONITOR reported: "It would not be an exaggeration to say that U.S. policy in Latin America is now lying in ruins as a result of the U.S. support of the English." Obviously, there is an element of journalistic exaggeration in this assessment, but there is no question that the line taken by the United States hurt its position in Latin America: It will certainly lead to some reassessment of relations with Washington by these countries and to the revision of ties with it. The U.S. position strengthened the traditional anti-American feelings in Latin America, rooted in the dramatic experience of a century and a half in relations with the United States, filled with countless insults to the national dignity of the Latin Americans by Yankee imperialism.

Washington's position was pointedly criticized by more than just the states known for their adherence to an independent policy line. It also shocked the circles whose members were accustomed to alliance and partnership with the United States and who persistently declared that they were part of the "Western world." It was precisely to these circles that the NEW YORK TIMES was referring on 8 June 1982: "The South American leaders (military--K. B.) are already taking some steps and are anxiously considering others to adapt to the atmosphere they anticipate on the continent after the end of the Falkland crisis. They are motivated by the thought that they can no longer count on the United States as a fully reliable ally." Washington's position was widely, if not universally, interpreted as disregard for the commitments stipulated in the OAS Charter and the provisions of the 1947 Rio de Janeiro agreement on the joint defense of the Western Hemisphere.

England's behavior and the resolute support of this behavior by the United States showed the public and ruling circles of the Latin American states where the real threat to their interests, their independence and, in general, peace in the Western Hemisphere was coming from. This exposed the true essence of doctrines serving U.S. interests and the protection of its privileges, such as the doctrines of "ideological boundaries" and "national security," which had been vigorously propagandized with American assistance. All of this also revealed the real purpose of the "joint" military obligations recorded in the Rio pact and their complete ineffectiveness in cases calling for the repulsion of imperialist aggression. It is indicative that Brazil, Venezuela, Uruguay, Ecuador and some other Latin American countries refused, in connection with the conflict, to take part in the annual joint naval maneuvers with the United States.

The tension engendered in inter-American relations by the conflict was already apparent during the last sessions of the OAS--a military-political bloc in which American imperialism has always been dominant, using this bloc repeatedly to suppress national liberation movements on the continent. The prevailing atmosphere at these sessions was one of confrontation between the United States and the majority of organization members. Now the governments and statesmen of several Latin American countries are considering the removal of OAS headquarters from Washington. Furthermore, the replacement of this organization with a Latin American group excluding the United States has been proposed. The Colombian President's suggestion that the Latin American states meet in early 1983 to discuss the reorganization of the OAS is being discussed earnestly.

Regardless of the degree to which these proposals might be implemented, the very fact that they have been made attests to the considerable effect the conflict in the South Atlantic has already had on the mood of the public and the governments of the continent with regard to the United States.

At the very height of the conflict, the Venezuelan magazine ELITE remarked: "The Republic of Argentina has taught us a great lesson. When it took possession of the Malvinas it told the English it had had enough of colonialism. From now on Latin America should not expect anything from anyone and should rely only on itself. The Yankees betrayed us and all of Europe united against us. We were left alone. But this was a good thing. Now we know who our enemies are and we know that only our own solidarity will save us." In turn, the NEW YORK TIMES acknowledged: "Argentina proved that Latin America must take care of itself and not put its trust in Europe or, in particular, the United States. Although this diplomatic argument was voiced during the crisis, it has now won recognition everywhere on the continent."⁶

Voices advocating closer political and economic relations among countries of the continent and the expansion of regional cooperation are growing louder and more authoritative in Latin America. At the talks between the foreign ministers of Argentina and Uruguay at the end of July, as CLARIN, a newspaper published in Buenos Aires, reported, participants agreed that the conflict in the South Atlantic had given rise to the need for Latin America's cohesion as a regional bloc and the elaboration of a common Latin American stand in

subsequent discussions of questions of relations with Washington. The Uruguayan president's proposal that a conference of Latin American presidents be convened has also been supported. The president of Ecuador made a similar proposal.

The conflict in the South Atlantic heightened Latin American interest in the nonaligned movement and in a more active role in this movement. This tendency has already been apparent for a few years. The growing number of Latin American countries participating in the latest forums of the nonaligned states is indicative in this connection. For example, three states in the Western Hemisphere (Guyana, Cuba and Jamaica) participated in the third conference of the nonaligned states in Lusaka (1970) and eight states (Argentina, Barbados, Bolivia, Brazil, Venezuela, Colombia, Peru and Chile) had observer status at the conference. The sixth conference in Havana (1979) was attended by representatives from 22 countries in the Western Hemisphere, and 11 of them were participants--Argentina, Bolivia, Grenada, Guyana, Cuba, Nicaragua, Panama, Peru, Surinam, Trinidad and Tobago, and Jamaica--while another 11 had observer status--Barbados, Brazil, Venezuela, Dominica, Colombia, Costa Rica, Mexico, El Salvador, St. Lucia, Uruguay and Ecuador. Besides this, the Socialist Party of Puerto Rico also participated in the conference. Representatives of the UN Economic Commission for Latin America, the Latin American Economic System and the Latin American Energy Organization attended the conference as guests.

Many statesmen and some spokesmen in Latin America are now pointing out the danger of the onesided orientation toward the Western powers in political, economic and other relations, the adverse effects of which were vividly corroborated by recent events. The economic and military aspects of this matter, which are being actively discussed in the countries of the continent, warrant special consideration.

The punitive economic sanctions of the imperialist states against Argentina evoked widespread condemnation in Latin America. The Argentine description of these sanctions as flagrant violations of the standards and practice of international law and as a dangerous precedent which will have a serious effect on future international economic relations, particularly between the developing countries and the developed states, won the understanding and support of the Latin American community. It essentially agreed with this description. For example, here is what influential politician C. Perez, former president of Venezuela, had to say about the matter: "This collective economic aggression represents a threat to all of Latin America and the 'Third World' as a whole." At a special consultative conference of the OAS foreign ministers in Washington at the end of May, 12 Latin American countries called for the immediate cancellation of coercive economic actions against Argentina. There is reason to assume that the actions of the United States and other imperialist states are stimulating the tendency toward more intensive economic interrelations by Latin American countries and stronger economic cooperation with the Asian and African countries and the socialist states.

There is certainly a direct connection between the lessons of the conflict in the South Atlantic and the recently more persistent appeals in countries of the continent for the development of intraregional economic cooperation. For

example, President C. Langoni of Brazil's Central Bank stressed in an interview that "opportunities for more active economic integration between Brazil and Argentina should be broader" after the conflict in the South Atlantic. A similar view was expressed by President S. Allegretti of the Venezuelan Foreign Trade Institute, who noted the need to "strengthen the economic security of Latin America."

As for the military side of the matter, whereas imperialist strategists are mainly concerned with the effectiveness of weapons in a "big war," in Latin America the issue is approached from another, primarily political standpoint, with a view to national security interests. The opinion that recent events will have a serious effect on policymaking in the military sphere is almost unanimous. The direction of possible changes will be determined by the great risk, pointed up by the Anglo-Argentine conflict, of dependence on the United States and on other imperialist states in the acquisition of weapons and, what is more, the serious danger this dependence poses to the sovereignty and security of the Latin American states and the developing countries in general. According to a report in NEWSWEEK, President Fernando Belaunde Terry of Peru announced: "The lesson we all must learn from this conflict is that we must put an end to our dependence on countries producing weapons. We can see what the lack of military potential means." It is significant that the presidents of Venezuela and Panama proposed a meeting of Latin American government spokesmen to discuss "the collective self-defense of the region" in a joint statement in Caracas on 28 July 1982. In connection with this, a more important role for Brazil and for Argentina as suppliers of modern weapons to the developing countries is being predicted.

At the same time, worries have been expressed about the possibility of an arms race in this part of the world, which was reminded of its vulnerability in the face of the imperialist military machine by the Anglo-Argentine conflict.

Another fact is also important. The conflict will obviously have a definite effect, at least in the near future, on the ideological atmosphere in the region. It could make some changes in the priorities of several major Latin American figures who have always nurtured certain illusions about the United States and have regarded some aspects of American life as a model for their countries. This is attested to in particular by the following statements in the bourgeois Venezuelan journal BOHEMIA, which certainly has no leftist leanings: "In the final analysis, the Malvinas will obligate us Latin Americans to determine the role of Latin America and the place that should be occupied by each of the countries making it up. At the same time, the war with Great Britain obligates us to determine something even more important: Which system of sociopolitical development is most suitable for Latin America? The developed capitalist countries? The socialist countries? Or some other system adapted to Latin American reality? We must look into all of this."

Therefore, the conflict over the Falkland (Malvinas) Islands should be examined and assessed within the context of the exacerbation of conflicts between the imperialist powers, especially the United States, and the Latin American countries, which want stronger independence, equal participation in

international life and a respected place in the international arena. This conflict has revealed to the Latin American public its objective, real position in the system of contemporary world political and economic relations. On the strength of this, it will lead to a fuller awareness of the conflicting interests of the Latin American countries and imperialist states with regard to the eradication of the remaining traces of colonialism and the struggle against all forms of dependence and will encourage the Latin American countries to defend their positions more energetically. Their interrelations with the imperialist powers are being affected and will obviously continue to be affected by certain consequences of the conflict in the South Atlantic.

It is true that many aspects of the Falkland (Malvinas) crisis also concern the newly independent Asian and African states. Above all, there is every reason to regard the military conflict in the South Atlantic as an imperialist attempt to teach a lesson by force, to intimidate not only the states of the Western Hemisphere but all of the developing countries and to lower the pitch of the struggle for stronger independence and for equitable political and economic relations. This is exactly how the chairman of the nonaligned movement, Fidel Castro, worded the matter in his message to the heads of the countries belonging to the movement, which said that imperialism was striving to turn its own war in the South Atlantic into a lesson "for all Third World countries which are defending their sovereignty and territorial integrity, regardless of their political and social order."

The Falkland (Malvinas) crisis has made the essence and goals of imperialist policy on the developing countries even more apparent and has shown quite clearly that it is aimed at imperialist military, political and economic expansion in these countries. What is more, all of the behavior of the United States, its actions and diplomacy at the time of the crisis, demonstrated that all of this is part of the present American Administration's attempt to increase tension and escalate the use of force in international affairs.

There is no question that the Anglo-Argentine conflict, particularly the method to which the imperialist powers resorted for its "resolution," is a local reflection of imperialism's tougher line in international relations in general and of the Reagan Administration's attempt to intensify confrontation with the national liberation movement.

The crisis in the South Atlantic provided new evidence of the dangerous evolution of the U.S. and NATO position on several cardinal issues. This was particularly evident in the statement, the first of its kind in the entire history of this aggressive bloc, issued by the NATO heads of state and government, who met in Bonn during the conflict, about the possibility of expanding the bloc's zone of influence beyond the boundaries of Western Europe. This is certainly symptomatic, even if this is essentially only documented evidence of the already existing cooperation of the United States and other NATO countries in actions aimed at preventing total decolonialization and counter-acting forces for democracy and progress with the use, when "necessary," of armed forces.

The position taken by the developing countries during the conflict in the South Atlantic proved that the general aim of imperialist actions against Argentina had not escaped them. When the coordinating bureau of the nonaligned countries met in Havana, it condemned England's military actions and reaffirmed its support of Argentina's demands for the restoration of its sovereignty over the islands. After the islands had been seized by England, representatives of more than 90 nonaligned states censured the anti-Argentine economic sanctions in a document they had approved.

It is obvious that the military conflict in the South Atlantic again faced the developing countries, and more insistently than before, with questions about the future development of international relations, about their role in the defense of their interests against imperialist encroachment, about the need to counteract the obsession with the big stick which has been cultivated by imperialism in the international arena and is directed primarily against these countries and about their contribution to the struggle against the danger of war and against the arms race.

The Anglo-Argentine conflict also taught an important lesson about international economic relations. It demonstrated, in clear and vivid form, the existing contradictions between various groups of countries making up the world capitalist economic system. The conflict showed that the large imperialist powers are prepared to use all of their economic weapons and economic superiority even against the developing countries taking the capitalist road in the event that they resolutely defend their own national interests and their own sovereignty. It further dispelled the illusions that still exist in the developing countries with regard to the policy of the imperialist states and its real goals.

3

We can say quite definitely that the Anglo-Argentine conflict and all related events dealt a serious blow to the anticommunist and anti-Soviet myth and slander about the "Soviet threat" which were being spread in every way possible in the Western Hemisphere by the United States and by local reactionary forces and were being used by them to isolate Cuba, organize subversive activity against Nicaragua and impede the development of relations with the socialist states. There is no question that this will also have definite consequences.

Patriotic nationalist forces on the continent and progressive circles commended the resolute and unequivocal condemnation of the aggressive behavior of England and its allies by the Soviet Union, Cuba and other countries of the socialist community from the first days of the conflict. The line of the socialist community, defending the legitimate rights of peoples in their struggle to eradicate the remaining traces of colonialism and their fight against imperialist "gunboat diplomacy" and the policy of the "big stick," looked particularly principled and consistent in comparison to the behavior of the leading capitalist powers.

L. I. Brezhnev's speech at a reception honoring a state delegation from the Republic of Nicaragua on 4 May 1982 in the Kremlin had great repercussions, especially the following words: "People want to be the masters on their own

land and in their own home--whether it is in Central America or the South Atlantic.

"If dangerous complications and conflict situations are arising in the Western Hemisphere as well, it is precisely because there are forces striving to maintain or restore their dominant position and subject people to foreign oppression."⁸

These words were interpreted as criticism of the aggressive policy of Washington and its allies and as an expression of solidarity with the struggle of the Latin American countries for their independence and sovereignty and for the right to decide their own future--and at a particularly crucial time for these countries. This was actually an expression of direct support for the Latin American patriots opposing the collective anti-Latin American actions of the imperialist powers.

The socialist states' energetic support of the process of decolonialization and the resolution of the Falkland (Malvinas) conflict through negotiation evoked favorable responses in the countries of the continent, heightened the sympathy of the popular masses for real socialism and strengthened feelings in favor of broader political and economic contacts with the USSR and other socialist countries on the part of governments as well as the public. Furthermore, the conflict and related events demonstrated the importance of this and even the need for it. This strengthened the already clear tendency of recent years toward the development of cooperation with the Soviet Union and the socialist community countries--mutually beneficial and equitable cooperation promoting the consolidation of the sovereignty of the Latin American countries and their economic progress.

The conflict in the South Atlantic also dealt a serious blow to the strategy of isolating Cuba, which U.S. imperialism has been trying to implement for many years. Cuba's anticolonial position and its high degree of solidarity with the Latin American countries have not only won it more sympathy from progressive segments of the public in the Western Hemisphere, but have also compelled many major Latin American politicians with a different outlook to view Cuba in a new way and advocate the development of comprehensive relations with Cuba. The reinforcement of these tendencies, which are anti-imperialist to some degree, and all of the consequences of the Anglo-Argentine conflict in general are making better relations between Cuba and the states of this region possible. In this sense, the more active contacts between Cuba and the countries of the continent are indicative. In June Havana was visited by the Argentine minister of foreign relations, the Venezuelan minister of education and the Peruvian deputy minister of commerce, who unequivocally advocated the development of trade, economic and political ties with Cuba. An agreement was concluded on a Cuban visit by a government delegation from Trinidad and Tobago.

Reporting on these changes, the Venezuelan journal RESUMEN remarked on 13 June: "It is true that 2 months ago no member of the Argentine Government would even have thought about talking to Fidel Castro, not to mention going to Cuba. Now, however, circumstances are such that C. Mendez is heartily thanking Castro for his assistance."

This also applies to some degree to Nicaragua. Just recently it would have seemed unbelievable that the Argentine Government would decide to help Nicaragua by sending it 6,250 tons of corn after it had been struck by a natural disaster. It is also striking that the celebration of the third anniversary of the victory of the Sandinist revolution in July 1982 was attended by Venezuelan President H. Campins, who announced its intention to continue cooperating with Nicaragua on any terms and who made several public anti-American remarks.

England's OBSERVER newspaper remarked in reference to this aspect of the consequences of the conflict in the South Atlantic that "Cuba and Nicaragua were able to return to the family of the Latin American peoples." It also acknowledged that "the U.S. crusade against the spread of Marxism influence in Central America also suffered. In the future, U.S. attempts to influence the course of partisan wars will indisputably be regarded as what they actually are--unilateral actions."

In other words, the real imperialist essence of U.S. intervention in Central America became clearer to Latin America as a result of the Anglo-Argentine crisis. It is also noteworthy that Argentina recalled 200 of its officers from El Salvador, where they were serving as instructors in the army and security forces.

The overwhelming majority of communist and workers parties in the world also expressed solidarity with the Argentine people and vehemently condemned England, the United States and other imperialist powers. Communists in Argentina and England met during the conflict to condemn the military actions of the Thatcher Government and reaffirm the right of people to fight against the remnants of colonialism.

The Anglo-Argentine conflict also taught another lesson. Related events reaffirmed how important the democratic basis of the regime and broad popular support for it are in warding off imperialist pressure, not to mention aggression. This augments the country's efforts to defend its sovereign rights and gives its position greater strength. It is a deterrent to imperialist impulses.

4

Obviously, the changes in the interrelations of Latin American countries with imperialist states, primarily the United States, and with the external world in general are not a simple process and have naturally been impeded by serious objective and subjective obstacles. When we speak of the feelings engendered in the Latin American countries by the conflict in the South Atlantic and of its possible consequences, we naturally wonder how strong these feelings will be and whether the consequences will be temporary or long-lived. It is completely apparent that many of the statements quoted in this article, just as other similar remarks, have strong emotional overtones and are colored by feelings of indignation, which will be inconsistent with real conditions in some respects, particularly in the economic sphere.

Above all, despite the earlier exacerbation of political conflicts between the majority of Latin American countries and the United States, the scales of their dependence on their northern "neighbor," stemming from objective historical circumstances and from the American policy of domination, cannot be ignored. The United States is still the main trade and economic partner of these countries and the traditional sales market for their agricultural and industrial raw materials and petroleum. In 1981 Latin American exports to the United States totaled 33.5 billion dollars. Besides this, for these countries the United States is their main creditor, investor and supplier of modern technology, machinery, equipment, other goods used in production and foodstuffs. The economic influence of the United States in Latin America is backed up by large investments of private capital. In 1980 Latin America accounted for 73 percent of all private direct American investments in the developing countries, including 82 percent of the capital investments in the processing industry and 70 percent of investments in mining.

Latin America appeals to the United States not only because it is a large and rapidly growing market for sales of manufactured goods and a convenient location for the investment of capital and the acquisition of many strategic resources. The continent has been assigned a special role in the plans of American imperialism: It is regarded as a sphere of important U.S. political and military interests and as a "southern rear." The strategy of the United States is aimed at strengthening capitalist relations in the region and turning such countries as Brazil, Mexico, Venezuela and Argentina into a "support base" for capitalism in Latin America, capable of exerting pressure on other developing countries.

In turn, ruling circles in several Latin American countries have long relied on the United States as a guarantor of the preservation and consolidation of capitalism under the conditions of the growing revolutionary and liberation movement on the continent. They have generally tried to solve problems in their trade and economic relations with the United States on a bilateral basis, and this has naturally diminished the potential of the Latin American countries for collective action.

It is also significant that this dependence on the United States, the definite differences in the national interests of the Latin American countries and the rivalry among them kept them from reaching completely unanimous decisions on decisive action in support of Argentina at the time of the conflict in the South Atlantic. Some of them, guided by their own economic and political interests, took a moderate stand and did not want to enter into a conflict with the capitalist states.

There is no question that the imperialists will try to take advantage of the largely dependent position of the Latin American countries, as well as their diversity and their differing interests, in order to inhibit the further growth of anti-imperialist feelings and to erase difficulties engendered by the conflict. Active steps in this direction are even more likely now that the Anglo-Argentine crisis has intensified differences of opinion in the imperialist camp with regard to relations with Latin America and the developing countries in general. The consequences of the attempts to "teach a

lesson" to Argentina and other developing countries have caused many Western officials with a realistic frame of mind to worry about the fate of the entire system of relations with these countries and about the possibility of retaliation by the developing countries.

It is already apparent that the United States and other imperialist states expect the Latin American public to forget about their behavior during the conflict in the South Atlantic. England's OBSERVER newspaper let the cat out of the bag when it predicted: "The Falkland crisis will disappear completely from the memory of Latin Americans quite soon."

It must be said that the Reagan Administration and American corporations tried to "whitewash" the U.S. position at the very start of the conflict and to reduce the dissatisfaction with this position in Latin America. In messages to Latin American leaders, President Reagan and then Secretary of State Haig tried to justify Washington's position in the conflict by stressing that "the United States is sensitive to the anticolonial feelings of the Latin American countries" and that "England is being given support" because of the violation of the principle of "solving international disputes by peaceful means."⁹

American companies within Argentina made ostentatious gestures of support for its actions and contributed funds and materials for the needs of the army. The American Chamber of Commerce in Buenos Aires, representing 500 of the largest U.S. companies, sent President Reagan a telegram on 12 May to condemn the English claims to a territory "whose inhabitants have been treated by England in a way that would be categorized as a violation of human rights in the United States."¹⁰

Now the Americans are ready to make a considerable effort to alleviate anti-American feelings. The fact that Washington is worried about the present situation and intends to take the appropriate steps was attested to by a statement by U.S. Secretary of State G. Shultz during hearings before the Senate Foreign Relations Committee on 13 and 14 July. He said that the United States should restore its relations with the Latin American countries, which "came close to the breaking point" after Washington supported England in the Anglo-Argentine conflict. In reference to the cardinal tasks facing the new secretary of state, prominent American expert on Latin American affairs H. De Onis wrote: "Problems for American foreign policy are still brewing in other parts of the world, but there is probably none more important to Washington than the problem in neighboring Latin America. In addition to all other problems, George Shultz inherited a dangerous tangle of unresolved problems from Alexander Haig which could cause a crisis in inter-American relations."¹¹

The Socialist International and parties whose members are ruling the EEC countries or are in the governments of these countries took active steps to heal the "wounds" inflicted on relations between the countries of Latin America and Western Europe. This was obviously why a special "Malvinas commission" met in Caracas on 21 and 22 July.

The possibility that some segments of ruling circles in the Latin American countries and other developing states might be inclined to take a conciliatory position in the hope of gaining advantages in the form of assistance, credit and so forth from the capitalist powers cannot be excluded.

Nevertheless, it would be a serious mistake to underestimate the scales and political potential of the indignation of the popular masses and patriotic and nationalist forces in Latin America with U.S. policy. It has already evoked a fairly broad movement of solidarity with Argentina and has turned into a significant factor in regional sociopolitical affairs. In particular, 20 Latin American states requested the UN secretary general to put the Malvinas issue on the agenda of the 37th session of the General Assembly. A letter signed by the foreign ministers of these countries said that the situation created in the South Atlantic by the colonial status of the Malvinas Islands and the conflict between Argentina and England could endanger the entire region.

Therefore, we can predict that the conciliatory tendency will be counteracted by another, much stronger tendency toward more pronounced anti-imperialist and nationalist feelings, the more active assertion of independence by the Latin American countries and the deeper recognition by the public in these countries of the acute and permanent conflict between its wishes and imperialist policy. It is of fundamental importance that this tendency is firmly rooted in the realities of today's world, in the mainstream of its development toward national and social liberation and in the alignment and balance of class forces in the international arena, and that it is reinforced by the Leninist policy of the socialist states, which have consistently supported the freedom and independence of peoples.

Events like the Falkland (Malvinas) crisis serve as a medium for the political enlightenment and maturation of peoples. In this sense, the battles which recently raged in the South Atlantic have left ineradicable traces, no matter how much imperialist forces and their allies in Latin America would like the opposite to be true.

FOOTNOTES

1. There are still 15 colonial enclaves of England, the Netherlands, France and the United States in the Western Hemisphere, with a territory of 115,666 square kilometers and a population of 4,489,000.
2. CURRENT HISTORY, February 1982, p 5.
3. FOREIGN AFFAIRS, January-March 1982, p 918.
4. OBSERVER, 2 June 1982.
5. NEW STATESMEN, 4 June 1982, p 8.
6. THE NEW YORK TIMES, 8 June 1982.

7. DIARIO DE CARACAS, 13 June 1982.
8. PRAVDA, 5 May 1982.
9. TIME, 17 May 1982, p 22.
10. INTERNATIONAL HERALD TRIBUNE, 2 June 1982.
11. NEWSWEEK, 26 July 1982, p 21.

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GOALS OF 'OCEAN STRATEGY': STRATEGIC SUPERIORITY, INTERVENTIONISM ABROAD

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 11, Nov 82
(signed to press 21 Oct 82) pp 32-42

[Article by G. M. Sturua: "The United States: Reliance on 'Ocean Strategy'?"]

[Text] One of the central points of Republican candidate Ronald Reagan's political platform in the 1980 campaign was a promise to guarantee the United States unconditional naval superiority. During the 22 months that President Reagan has been in the White House, it has been quite clear that his administration does fully intend to accomplish a dramatic buildup of U.S. naval strength. It is in this sphere that unprecedented sums are to be spent. Furthermore, judging from remarks by the President's closest advisers, they regard the augmentation of naval potential as a kind of litmus paper to determine how far the present administration will go in its attempts to undermine the existing military-strategic balance in the world and to achieve military superiority over the USSR. It is therefore not surprising that American experts have recently been discussing Washington's plans to move in the direction of the so-called "ocean strategy," presupposing primary reliance on the naval component of military strength and, consequently, the priority development of naval forces.

How accurate are these ideas and discussions about the coming era of U.S. "ocean strategy"? What is the reason for the dramatic augmentation of the Navy's role in U.S. military-political strategy? To answer these questions, we must return to the period of the 1970's when this new strategic concept was first mentioned in discussions of future U.S. military policy.

Development of 'Ocean Strategy'

The "ocean strategy" was intended to be an alternative to existing U.S. military strategy, and not as an element of this strategy representing some kind of new conceptual approach to the guarantee of U.S. superiority in the world ocean or to the organization of the armed forces. Although some mention of the "ocean strategy" (it was also called the "blue water strategy") can be found in statements by representatives of the U.S. naval command, no precise definition of this concept ever existed. A comparatively detailed analysis of "ocean strategy" can be found in works by such American researchers as

H. Baldwin and T. Burns and in a special report by Senators R. Taft and G. Hart.¹ In spite of all the different ideas about this strategy, there was the common belief in the inevitable increase in the importance of oceans to the United States. The advocates of the augmentation of American naval strength in the proposed strategy called for fundamental changes on the level of strategic and general-purpose forces.

The people who supported the adoption of the "ocean strategy" by the United States backed up their position primarily with the argument that now that the Soviet Union had achieved approximate parity with the United States in nuclear missiles, nothing could save the United States from a retaliatory strike if it should use these weapons first against the USSR. Within the framework of the "ocean strategy," the escape from this situation, which was so unfamiliar to the American leadership, consisted in the concentration of American strategic power in the oceans. The hope was expressed that the adoption of this strategy would reduce the nuclear threat to American territory. At that time it was assumed that the main nuclear-powered ballistic missile submarine (SSBN) strategic systems, located in any part of the world ocean, could deliver a strike with maximally diversified directions with ballistic missiles (SLBM's) of the appropriate range.

The "ocean strategy" envisaged more radical innovations, however, in general-purpose forces. At the end of the 1960's there was the growing conviction in the United States that an army of half a million soldiers fighting thousands of kilometers away from the United States could not change the unfavorable course of the war in Vietnam. The reasons for the United States' immersion in the quagmire of war in Indochina and the ways of avoiding the repetition of this error were energetically discussed in American ruling circles.

A prominent view in the kaleidoscope of opinions was described as "neo-isolationist." Its supporters, whose position in this matter coincided to some degree with the views of the "ocean strategy's" supporters, were convinced that the United States should not take on the burden of land warfare in the colossal Eurasian territory, particularly if its allies had sufficient military-economic resources of their own. The United States, in their opinion, should pursue a flexible military policy--whether in peacetime or in time of war. The implementation of this approach would have meant the reduction of military presence abroad (even to the "zero level") and the stepped-up development of general-purpose naval forces.

Therefore, the authors of the "ocean strategy" wanted to minimize the possibility of U.S. involvement in futile military ventures, seize the political initiative and impose armed confrontation with a convenient time, place and form on the enemy and, finally, urge the allies to take more responsibility and, in the event of their "betrayal," to have combat lines prepared in advance in the oceans, to which they could retreat with minimum losses.

When the United States reached what American researchers called a strategic crossroads at the beginning of the 1970's, it did not choose the "ocean strategy," although some of its elements, with a new interpretation, made

their way into U.S. military policy. This primarily concerned the organization of naval forces. Since 1972 the navy has been allocated larger sums than other branches of the armed forces. On the whole, the process of naval modernization has been extremely dynamic in the last decade; the reduction of the number of ships built during World War II and immediately afterward, mainly by putting them in reserve or scrapping them, was compensated for, as the American command admitted, by their replacement with more efficient ships. Over the 10 years as a whole, funds were allocated for 150 new ships.

The tendency to move strategic nuclear strength to the oceans was particularly evident in the 1970's: Whereas the warheads installed on SLBM's accounted for around 20 percent of all U.S. strategic warheads in 1970, the figure was around 50 percent in 1980. In this respect, actual U.S. military policy corresponded to the goals of the "ocean strategy" to the maximum.

This was followed by a new spurt of interest in the "ocean strategy" in the United States at the beginning of the 1980's. It is indicative that this term was no longer being used, although the general purpose of the recommended changes in American military strategy corresponded quite precisely to the aims of the "ocean strategy." There were three main reasons why the previously rejected strategic alternative aroused interest once again in the 1980's, and this time it aroused the interest of a much larger segment of American ruling circles than before. The first was the desire to undermine nuclear parity with the USSR, the second was the complex state of relations with NATO allies and the third was the gradual erosion of the "Vietnam syndrome" and the increase in interventionist feelings.

The search for a way out of the "nuclear deadlock" in which the United States found itself in connection with the USSR's ability to deliver a retaliatory nuclear strike against the aggressor, led to Washington's official approval of the notorious strategy of "superior counterforce" at the end of the 1970's. In essence, as we know,² it consisted in preparations for "limited" nuclear war, during the course of which the United States could deliver strikes by a relatively small part of its strategic forces at political command centers and various military targets, especially those constituting the foundation of strategic strength--ICBM bases. This strategy completely justified the priority construction and modernization of one element of the "strategic triad"--namely SSBN's--at the cost of a certain decrease in the significance of its two other elements--land-based ICBM's and bomber aviation (this is the essence of the ideas expressed by such experts as A. Quanbeck, B. Blechman, S. Drell and E. Ravenal). Modern SSBN's, which are imperceptible to antisubmarine forces, will acquire another valuable feature which was absent in the 1960's and 1970's: The SLBM's installed on them will be accurate enough to destroy well-fortified small targets. In other words, the strategic underwater weapon will combine two characteristics necessary for the aims of the strategy of "superior counterforce"--invulnerability and high accuracy.

The transfer from the "triad" to the "naval monad" was also judged expedient because the funds now planned for the modernization of all three components of strategic forces could be allocated for the intensive construction of a large number of SSBN's like the "Ohio." In this way the United States could,

according to the logic of this theory's supporters, avoid senseless expenditures on unnecessary--in view of the obvious advantages of the new SSBN's--strategic weapon systems and could begin scrapping the obsolete Minuteman IDBM's and B-52 planes. It is significant that this idea was supported in part as early as 1974 by the Pentagon's present third-in-command man, F. Ikle, who said in an interview that the United States should "stop relying on land-based missiles."³

The intensification of the crisis of NATO is another reason to wonder, according to widespread opinion in American ruling circles, whether the notorious "move to the ocean" would be all that undesirable for the United States. The fact is that Washington's move toward more unyielding confrontation with the Soviet Union at the end of the 1970's clearly revealed the cobweb of widening cracks in the foundation of relations between Western Europe and its transatlantic NATO partner. The disclosure of the differing views of detente within the North Atlantic Alliance exacerbated old conflicts over many matters of military policy and economics. The period of the normalization of international affairs brought the Western European countries indisputable benefits: It reduced the threat of war on the continent and strengthened mutually beneficial economic and cultural contacts between Western and Eastern Europe, which had been artificially impeded for a long time. Calling the positive results of detente "Greek gifts" to deaden the vigilance of the Western European countries, Washington was particularly displeased by the fact that, as P. Lellouche, one of the heads of the London International Institute of Strategic Studies, put it, "detente gave the Europeans more freedom of maneuver and a comfortable atmosphere in which (Western) Europe could calmly defend its individuality to the leader of the alliance."⁴

There has been recent talk in the American capital that the unprecedented wave of antiwar demonstrations in Europe, threatening to paralyze NATO's efforts to "rearm," could be the last straw for the United States. According to the NEW YORK TIMES, H. Baker, the leader of the Republican majority in the Senate, said that "he was tired of voting for expenditures to cover the cost of defending Europe (and Japan), particularly expenditures on the new generation of medium-range missiles, when it is becoming clear that there is very weak European support for the U.S. position."⁵

The issue of "adequate military efforts" by the Western European NATO members, which has always been a matter of concern in this alliance, has now aroused an abrupt fit of indignation in the American Congress. They do not want to accept the arguments of the Western Europeans who assert that they are economically incapable of bearing a larger burden of military expenditures and that it would be more sensible for the United States to display more flexibility in relations with the Soviet Union and other socialist countries and not shake the NATO edifice. Some analysts expect the issue of U.S. military presence in Europe to be debated in Congress this year, just as it was in 1971 when Senator M. Mansfield proposed a resolution on the withdrawal of American troops from Europe. Congressman W. Nichols felt the need to issue a frank warning: "The prevailing mood in many NATO countries is one of indifference. This naturally suggests that it might be time to recall our troops."⁶

American economists, particularly D. Calleo, have already calculated that the disbandment of the six American infantry divisions intended for combat operations in Europe would produce a savings of 30 billion dollars over 3 years, and this would be a significant step in the struggle against inflation and the budget deficit, which are undermining U.S. global positions. By assigning its Western European partners the responsibility for land "defense," D. Calleo said, the United States could strengthen its own Navy and make additional resources available for armed intervention in the "Third World."⁷

As the defeat in Vietnam recedes into the past, the obsession with armed intervention in the affairs of the developing countries grows stronger in the United States. In addition to having specific objectives, this intervention is supposed to demonstrate the United States' ability to "resort to force" and thereby "knock some sense" into the developing countries that have been too presumptuous in displaying their independence. Presidential directive 18, approved by J. Carter on 25 July 1977, assigned the function of intervention to the "rapid deployment forces" (RDF), whose training, according to Gen V. Warner, chief of the U.S. Readiness Command, "focused" on operations in the Persian Gulf zone.

As soon as the formation of the interventionist RDF was announced, the Army command fought with the Marine command over the control of these troops. Since huge sums of money are to be allocated for the creation of the RDF and both branches of the armed services wanted a larger portion of these allocations, they insisted that the subdivisions under their jurisdiction should constitute the backbone of the RDF.

The question of the most suitable structure and composition of the RDF is still being debated by a large group of experts. Some are more inclined to favor the "naval" option. For example, J. Record maintains that the United States needs "a small mobile sea-based and sea-supported unit.... Reliance on the probable superior naval strength of the United States would be a distinctive feature of a correctly organized RDF."⁸ According to the specialists, three factors in addition to U.S. naval superiority dictate the choice of the "naval alternative." The first is the possible negative reaction of developing countries to the augmentation of the land military presence of the United States within their territory, which is more "noticeable" and tends to be viewed as more of a challenge than a naval presence. The second, they feel, is that a "heavy weight" RDF, including army units and subunits, would be more likely to lead to involvement in a new local war like the one in Vietnam than a mobile RDF with a Navy and Marine base. Thirdly, the supporters of the naval type of RDF are afraid that the United States will lose political flexibility if it concentrates on one region (the Persian Gulf), although there is the possibility that combat operations will have to be conducted in a completely different military theater which will be most accessible to naval forces; in this case, the considerable funds required for the remodeling and enlargement of the network of bases in Southwest Asia will be wasted.

These current discussions of possible strategic innovations whose parameters largely coincide with the parameters of the "ocean strategy" are, just as in the past, a reaction to the failures of U.S. military policy and to the

existing global balance of power. According to some, the "ocean strategy" might not be a completely satisfactory "neo-isolationist" alternative, but it deserves careful consideration at the very least. By choosing this strategy, the United States, according to the supporters of this approach, would have to reassess its interrelations with its allies, reduce its commitments, although it would not completely put an end to its land presence abroad, and would turn the Navy into the central element of its military strength.

It appears, however, that this strategy is inconsistent with the convictions and aims of most members of American ruling circles, who were raised to idolize strength. In the 1960's, and especially in the 1980's, whenever American imperialism has grown noticeably more aggressive, any type of behavior in the international arena bearing even a vague resemblance to "isolationism" has been equated in Washington with a voluntary admission of defeat in the historic confrontation with the socialist world and a willingness to give up all claims to world hegemonism and lose the lion's share of U.S. political influence in the world. For example, in an interview in a West German newspaper, C. Weinberger described the American public's growing support for the withdrawal of American troops from Europe as a "tragic mistake" and called for stronger NATO unity to counteract this trend.⁹ It is also difficult to believe that the large segment of the U.S. military-industrial complex supplying the needs of the Army and Air Force would consent to the establishment of the Navy's preeminence.

The threats voiced in the American Congress, that the United States might make the move to a military policy modeled on the "ocean strategy," are addressed primarily to the NATO allies. The real reason for these threats has not escaped Western Europe's attention. People here realize that the United States, which does not wish to give up its privileged status as the first among equals in NATO and has lost patience with its NATO partners' differences of opinion in matters pertaining to detente, "sanctions," the neutron bomb, the level of military spending and so forth, is striving, as P. Lellouche writes, to revive the old "Atlantic system"--that is, it is essentially trying to turn the clock back to the time of American nuclear superiority and unconditional supremacy in the alliance. Some U.S. circles are tempted, he notes, to "twist Europe's arm" by threatening to act in the spirit of the new "Mansfieldism" and leave it to the mercy of fate.¹⁰

Washington wants to take the allies in hand and put them in the position of suppliants begging the United States to stay in Europe and promising to repay this favor by not objecting to the redistribution of the military burden. However, although the "ocean strategy" in its present form is being used by U.S. ruling circles primarily as a scarecrow to frighten the Western European allies, it is true that the naval element is being assigned greater importance in the strategy now being worked out by U.S. military policymakers. This seems to be a natural result of the adoption of a doctrine demanding preparations for lengthy wars on the global or local European levels and a short war of the "blitzkrieg" type in the Persian Gulf zone.

Naval Strength in Washington's Plans

The purpose of the present American strategy consists in the ultimate achievement of "indisputable superiority" and, in the interim, at least some

significant advantages over the potential adversary at all levels of the use of force by means of the qualitative and quantitative augmentation of military strength. Whereas "superiority" (signifying both the acquisition of the necessary forces and means of warfare, and an acknowledgment of this superiority which is capable of paralyzing the adversary's will for resistance) presupposes, judging by all indications, the creation of the potential to deliver a "pre-emptive" strike against the strategic forces of the other side, "advantages" should ensure the possibility of fighting a protracted nuclear or conventional war--a concept put forth by the Reagan Administration. In the concept of protracted war, the assumption is that only the United States should be capable of fighting it and winning each new round of the conflict. Another assumption is that although the escalation of the conflict could be of great danger to the United States until it has achieved "total superiority," the adversary should believe that this escalation will be an even greater risk for him and should prefer conciliation to "crossing the nuclear threshold."

The basis for the implementation of this strategy is a developed system of strategic forces with maximum first-strike potential. Pentagon second-in-command, Deputy Secretary of Defense F. Carlucci frankly admitted: "I think we need counterforce potential. In addition, I think we need the potential to fight a war"¹¹ (he meant "fighting a war to the point of victory"--G. S.).

The Reagan Administration plans to spend 180 billion dollars on the further reinforcement of U.S. strategic forces in the next 5 years, with 42 billion earmarked for the augmentation of sea-based weapons. In particular, the funds will be used to finance the construction of six submarines of the "Ohio" model (funds have already been allocated for nine such ships) and their equipment with Trident I SLBM's, the stepped-up development of the Trident II SLBM (the Navy is expected to have this weapon by 1989--that is, a few years earlier than planned by the previous administration), and the deployment of "several hundred" Tomahawk cruise missiles with a range of 2,700 kilometers on multipurpose nuclear submarines starting in fiscal year 1984.¹²

Missile-carrier submarines with a low level of vulnerability, particularly after the completion of the present programs for the modernization of devices for the maintenance of constant communication between SSBN's and command points, represent, according to American strategists, the best means of fighting a strategic nuclear war which might take on a protracted nature.

According to the present program, significant regrouping processes should take place within the strategic "triad" in the 1980's. In addition to stepping up the Trident program and continuing to deploy the majority of strategic warheads in the oceans, the United States intends to make qualitative breakthroughs for the achievement of effective "counterforce" potential, much more than half of which will probably be concentrated on missile-carrying submarines. The mass-scale arming of the U.S. Navy with strategic cruise missiles is also being conducted from the standpoint of the "counterforce" concept. C. Weinberger's latest report said that "this weapon will ensure some potential to destroy fortified targets over the short range."¹³ Each submarine modeled

on the "Ohio" will first be equipped with 24 Trident I SLBM's (12 submarines of the old "Lafayette" design were supposed to be rearmed with these SLBM's by the beginning of fiscal year 1983) and then with Trident II missiles. Both missiles are superior to the Poseidon SLBM in terms of their parameters, and this is particularly true of the Trident II: It has twice the range of the Poseidon missile--in other words, the area of the combat patrol zone from which SLBM's can be launched at targets is ten times as great; it has three times the nuclear yield; it has one-sixth the probable deviation of the warhead from the target--that is, the probable error is equivalent to 90 meters and the assumption is that the probability of destroying ICBM silos would be almost 100 percent with an accuracy of under 150 meters.

The American command's continuous assurances that the Navy is no more than a "retaliatory" force do not stand up to criticism. The fact is that the United States is not only arming itself with "counterforce" SLBM's, but is also working on a system of antisubmarine forces and devices capable of destroying patrolling enemy missile-carrying submarines. The difficulties connected with the purely technical side of this matter were long considered in the United States to be surmountable but not within the near future. This meant that the other side would always have reliable strategic forces in the form of SSBN's, which would, regardless of how unfavorable the situation might become, guarantee the possibility of a devastating counterstrike. Of course, this had a deterring effect with a perceptible influence on Washington's military-political planning and on its actual behavior in the international arena. In order to bypass this obstacle, the United States spent considerable sums on preparations for antisubmarine warfare. In the last few years the allocations for these purposes rose to 8.5 billion dollars a year, including 20 percent of all research and development allocations in the Navy budget.

The statement that the United States is approaching the stage in the sphere of so-called "strategic antisubmarine warfare" at which it will have an effective weapon to combat SSBN's can now be heard more frequently. As former Secretary of the Navy W. Claytor said, the American "ability to put many components together to form an effective antisubmarine system has recently improved considerably."¹⁴

Western researchers with a realistic frame of mind have expressed the opinion that the creation of this kind of system can only destabilize the strategic situation, regardless of whether it would have the desired impact or not. The American leadership, these experts believe, might conclude that it already has the potential for a "pre-emptive" strike and decide to take reckless and extremely dangerous actions as a result. To avoid this, they propose that the issue of antisubmarine warfare be included on the agenda of the strategic arms limitation talks, just as the issue of missile defense was once discussed within the framework of these talks.¹⁵

Secretary of the Navy J. Lehman unequivocally took a completely different stand on the issue of antisubmarine warfare in one of his articles about American naval policy. He stressed that the United States will continue to strive for a technological "breakthrough" in the sphere of antisubmarine warfare.¹⁶

On the whole, however, as prestigious publications testify, American naval strategy is being geared more and more toward struggle against SSBN's, particularly for active offensive operations in regions frequented by Soviet SSBN's.¹⁷ It is precisely the objective of combat operations near the Soviet borders--that is, in regions where it would be most difficult to anticipate success--that J. Lehman cites as proof of the need for the massive buildup of American general-purpose naval forces. The idea of increasing the number of U.S. naval ships is now acquiring new meaning in light of the official approval of the concept of protracted conventional war, which could break out simultaneously in various parts of the world as a result of deliberate "horizontal escalation" by the United States.

In the 1970's the U.S. naval command was often asked whether the emphasis on the defense of ocean communications between the United States and Western Europe was valid in view of the NATO doctrine's stipulation that this organization would be prepared to resort to the use of nuclear weapons during the early stages of a conflict. The first convoy of transports with reinforcements and supplies for the united NATO armed forces would arrive in Europe no sooner than 3 weeks after the beginning of hostilities, and losses resulting from enemy-organized disruptions of communications, as specified in a special study of this subject conducted by the U.S. Atlantic Council, might be equivalent to 50-70 percent of all cargo just during the first stage.¹⁸ Several American authors believe that the warring sides would be exchanging nuclear strikes even before the navies of the NATO countries could reduce the threat to transatlantic shipments to an acceptable level. In their opinion, the replacement of losses resulting from the use of nuclear weapons on the European continent during the course of the hostilities would be senseless and unrealistic.¹⁹

This criticism of ideas about the role of the Navy in a war confined to the European continent lost its pertinence when the U.S. military-political leadership put forth the concept of a protracted war of global scales. The creation of potential allowing the United States and its allies to conduct protracted combat operations exclusively by conventional means in widely separated theaters of war--such as Europe, the Far East and the Persian Gulf--presupposes the ability to guarantee the uninterrupted functioning of ocean communications and the disruption of enemy communications.

The guaranteed security of naval shipments would require the use of a large portion of available U.S. naval resources, which would make them unavailable for offensive operations to destroy enemy nuclear submarines and military targets on land. To avoid the dissipation of forces and funds, current American strategy, perhaps more than ever before, envisages the maximum involvement of the allies in efforts to win military superiority--and this is one of the ways in which it differs fundamentally from the "ocean strategy." In particular, the United States would like to involve the allies more in the wartime defense of ocean and sea communications. Japan, for example, is being pressured to patrol the waters and air space within a radius of almost 2,000 kilometers from its shores. Washington is also encouraging FRG naval forces to move out into the world ocean. Since the end of the 1970's the

scales and number of joint naval exercises involving the United States and its Western European and Pacific allies have been growing.

Washington's realization that it cannot achieve its globalist goals on its own is reflected most clearly in its expansionist plans for the Persian Gulf zone. C. Weinberger's report on the fiscal 1983 military budget has this to say about U.S. cooperation with its NATO partners in preparations for armed intervention in Southwest Asia (this matter ranks second among the issues arousing differences of opinion in NATO): "We asked the NATO allies to lighten the burden of our efforts to safeguard the security of Southwest Asia. We explained to them that cooperation will be necessary if we are to concentrate our forces in Europe but also be able to use them in the event of crises in other regions. We will continue to demand that they take specific measures within the framework of this cooperation."²⁰

The measures referred to by Weinberger, which are intended to expand the geographic sphere of NATO action, include the proposal upheld by the Western European allies regarding their heightened naval presence in the Indian Ocean, as well as the coordination of their naval operations with the operations of the U.S. Navy in the Indian Ocean zone. In 1980, at the very height of the American "hostage" crisis in Iran, 60 Western ships were concentrated in the Indian Ocean, and around 30 belonged to England, France and the United States' partners in another bloc--Australia and New Zealand.

Although the United States is preparing for a protracted war against the Warsaw Pact countries, it is simultaneously planning the conduct of "blitzkrieg" campaigns in various parts of the developing world, especially oil-rich Southwest Asia. There is a strong conviction in the U.S. ruling elite that U.S. participation in local conflicts, in which the United States will have to defend its "vital interests" in an atmosphere of an allegedly impending raw material or oil crisis, is most probable in the near future. Ideas like this stimulate heightened concern for the naval aspects of military policy. Since the United States is separated from the regions where its armed forces might be transferred (Southwest Asia is the most distant part of the world from the United States) by thousands of kilometers of ocean, and since it does not have a diversified network of bases with large military contingents in this region (as it does, for example, in Europe or the Far East), some experts believe that superior naval strength will be essential in armed intervention in this region.

The official extension of the sphere of U.S. "vitally important national interests" to Southwest Asia gave a specific purpose to all of the previous proposals concerning the creation of an operational fleet no smaller than the Sixth and Seventh Fleets--that is, consisting of two carrier task forces and at least one amphibious landing force--for deployment in the Indian Ocean. The implementation of the plan to create a fifth Indian Ocean fleet has run into certain difficulties, however, stemming from the fact that the U.S. military leadership does not want to weaken the American naval presence in other parts of the world ocean. On the contrary, the latter is even to be augmented. To date, however, the deployment of a group of American naval forces in the Indian Ocean, which has not yet been officially named the fifth fleet, has cost the Sixth and Seventh Fleets one aircraft carrier apiece.

The globalist objectives of the U.S. Navy have necessitated its supplementation with the most powerful vessels--aircraft carriers. One of the central points of the Reagan Administration's 96 billion-dollar shipbuilding program for the next 5 years is the construction of two nuclear carriers of the "Nimitz" type (with a displacement of 90,000 tons). In view of the fact that naval presence functions in the Indian Ocean could be performed by task forces with a battleship nucleus, the United States plans to bring four battleships of the "Iowa" type (45,000 tons), equipped with 406-millimeter turret mounts, out of reserve and partially re-equip them with cruise missile complexes. To secure the antiair and antimissile defense of the task forces, the administration plans to begin building 18 cruisers, including 1 nuclear one, equipped with highly effective "Aegis" antiaircraft complexes which can simultaneously track up to 100 targets and destroy 6 of them from a distance of more than 80 kilometers. Plans also call for the considerable expansion of U.S. naval potential to transfer Marine squadrons and units through the development of new landing vessels like the gigantic all-purpose helicopter carrier with a displacement of 40,000 tons.

An analysis of the hostilities between the English and Argentine Navies over the Falkland (Malvinas) Islands in summer 1982 confirmed, in the opinion of the American command, the accuracy of the choices that had been made.

Nevertheless, it appears that the plans to achieve naval superiority, the efforts to heighten the concentration of U.S. strategic nuclear strength on submarines and the compilation of a gigantic shipbuilding program are not enough to prove that the United States has returned to the notorious "ocean strategy," although some American commentators hastened to announce this. There is no question, however, that the significance of naval strength is being put on a new level in Washington. This is part of the strategy of the ruling administration, aimed at escalating military confrontation with the socialist world and the national liberation movements.

The efforts taken in the naval sphere, among which the augmented American naval presence in the Indian Ocean is prominent, explain the U.S. attempts to undermine the organization of an international conference to create a zone of peace in this ocean and Washington's reluctance to resume the talks it broke off more than 4 years ago with the Soviet Union on the limitation of military activity in the Indian Ocean zone. They also explain the American leadership's negative reaction to Soviet proposals regarding the safeguarding of security on the expanses and in the depths of the world ocean, which were put forth in L. I. Brezhnev's speech at the 17th congress of trade unions and in the Soviet memorandum submitted to the Second Special Session of the UN General Assembly on Disarmament.

The latest round in the race for naval weapons and the sweeping plans for the aggressive use of the Navy are, in essence, Washington's response to the USSR's constructive initiatives. This response leaves no doubt about the source of the real threat to peace.

FOOTNOTES

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PROBLEMS IN MONETARY POLICY CAUSE PROBLEMS WITH ALLIES, ECONOMY

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[Article by M. I. Zahkmatov and A. M. Belov: "The Zigzags of U.S. Monetary Policy: Causes and Consequences"]

[Text] Monetary relations are an important part of the system of world capitalist economic ties. Their importance to the capitalist economy is constantly increasing as economic life in the capitalist countries grows more international and the economies of these countries grow more interdependent. There has recently been a stronger tendency, however, to turn the monetary sphere into one of the main arenas of inter-imperialist rivalry along with the struggle for sales markets, spheres of capital investment and sources of raw materials and fuel.

The main reasons for heightened monetary instability are Washington's selfish monetary policy and the still existent, although in weaker form, imperialist domination of the capitalist currency system by the dollar. Just as 10 years ago, U.S. monetary strategy is aimed primarily at protecting the interests of national monopoly capital, it ignores the interests of the United States' partners and it hurts them directly. In connection with this, an analysis of changes in U.S. monetary policy which have had a definite effect on the evolution of the capitalist monetary system in general and on the position of the dollar in particular seems particularly interesting.

The Dollar as a Means of U.S. Foreign Economic Expansion and Military-Political Hegemonism

American monopoly capital has actively used the privileged position of the dollar, which was assigned the role of the main international currency reserve in the Bretton Woods agreements, in its postwar foreign economic, military and political expansion. Utilizing the role of the dollar, U.S. monopolies have purchased tangible assets throughout the world--real estate, other types of property, stocks, plots of land, etc. The quite excessive privileges the world has extended the American currency, President Charles de Gaulle of France once noted, aided in the consolidation of the economic positions of American monopolies outside the United States and, in general, strengthen U.S. economic and political influence.

The scales of the overseas empire of American monopolies, created largely on the strength of the dollar's privileged position, are attested to in particular by the growth of overseas U.S. assets from 54.4 billion dollars in 1950 to 603.6 billion in 1980. Private capital investments account for more than four-fifths of the sum; more than half of these are direct investments ensuring total control over the operations of overseas enterprises. The turnover of these enterprises, according to the most modest estimates, exceeds a trillion dollars, they employ around 8 million people and the annual amount of profits transferred to the United States exceeds 40 billion dollars.¹ These huge U.S. overseas assets and the prevalence of direct and other long-term private investments among them reflect the position of the United States as the capitalist world's main financial exploiter.

The privileged position of the dollar has also allowed the United States to pursue a more aggressive foreign policy because it has facilitated the financing of the maintenance of American troops and construction of bases throughout the world, the extension of military and economic aid in huge amounts (over 200 billion dollars during the postwar period)² and the conduct of military operations to protect the political and economic interests of U.S. monopoly capital. All of these expenditures have been supported by the transfer of colossal dollar sums to the sphere of international circulation.

According to American economists, if Washington had, for example, had to pay for the war in Vietnam with gold rather than with depreciated paper dollars, the war would have ended much sooner.³

The Declining Influence of the Dollar in the 1960's and 1970's

The current rise in the exchange rate of the dollar is a departure, and probably a temporary one, from a lengthy period of decline in the influence of the dollar, which was particularly apparent in the 1960's and 1970's.

The policy of the United States to cover the deficit in the balance of payments primarily through a constant increase in expenditures on military-political purposes and the uncontrolled saturation of the channels of international monetary circulation with dollars weakened the international positions of the American currency and led to the accumulation of huge dollar claims on the United States. The situation was complicated even more in the 1970's, when the diminished competitive potential of American goods led to a chronic trade deficit of colossal dimensions. The deficit in the balance of payments was compensated for only partially by gold, and was mainly covered by an increase in the U.S. short-term foreign debt and the pumping of huge sums of rapidly depreciating American dollars into the sphere of international circulation. According to estimates, so-called Eurocurrencies totaled around 1.6 trillion dollars at the beginning of the 1980's (see Table 1).

In addition to the huge amounts of dollars leaving the United States, another important reason for the lower exchange rate of the dollar and its weaker position in 1960-1978 was the United States' weaker international economic position in relation to its main rivals, especially the FRG and Japan, resulting, in particular, from the declining level of labor productivity in the

United States and the narrowing technological gap. The erosion of the dollar's position in world currency markets was also one of the main reasons for the inflationary rise of prices in the United States.

Table 1

Market for Eurocurrencies, Billions of Dollars

<u>Years</u>	<u>Total</u>	<u>Net*</u>	<u>% of Eurodollars in Total Eurocur- rency Market</u>
1972	210	110	78
1973	315	160	74
1974	395	220	76
1975	485	255	78
1976	595	320	80
1977	740	390	76
1978	950	495	74
1979	1,220	615	72
1980	1,515	755	74
1981 (September)	1,655	855	76

* Excluding interbank operations.

"World Financial Markets," Washington, 1982.

The chronic deficit in the balance of payments and the difficulties it created for the American currency lay at the basis of the currency upheavals which went on for many years and ultimately led, as we know, to the collapse of the Bretton Woods currency system.

It is noteworthy that U.S. ruling circles took special efforts to stabilize the dollar's position throughout the 1960-1978 period because they realized the important role their currency played in the exercise of foreign economic expansion and the conduct of foreign policy. President J. Kennedy, for example, said in his message to the Congress in July 1963: "Our nation must keep the dollar as reliable as gold, freely convertible into gold at a rate of 35 dollars per ounce. It must remain the cornerstone of trade and the system of payments in the free world."⁴

All of the many attempts to strengthen the dollar's position were unsuccessful, however. The 1970's were a decade of swift decline in the exchange rate of the dollar. For example, as a result of two devaluations (in December 1971 and February 1973), the exchange rate of the dollar was lowered 20 percent on the average in relation to the main capitalist currencies.

The progressive deterioration of U.S. international economic position in subsequent years, particularly its foreign trade position (the deficit in the balance of trade totaled over 100 billion dollars in the 1970's), brought about a further decline in the exchange rate of the American currency.

Unable to find a radical solution to the increasingly severe economic problems, the administration tried to alleviate them by means of monetary policy. In June 1977, for example, M. Blumenthal, secretary of the Treasury in the Carter Administration announced that the United States was deliberately allowing the exchange rate of the dollar to fall in order to increase exports of goods from the country and to use the channels of international trade to stimulate the economic growth of the United States and of its trade partners. This policy, which was called "benevolent indifference" toward the exchange rate, reflected the United States' indifference toward its obligations, as the country issuing the reserve currency, to maintain the dollar exchange rate or at least not to manipulate it in its own interest.

Currency markets reacted to Blumenthal's statement, which acknowledged the selfish nature of U.S. monetary policy, with a dramatic new drop in the exchange rate of the American currency. By November 1978, when the value of the dollar in relation to the ten major currencies had dropped by an average of more than 20 percent, panic in currency markets acquired catastrophic dimensions, threatening not only U.S. economic interests but also the functioning of the capitalist currency system as a whole. Under the conditions of the intensification of internal contradictions in the American economy and the general deterioration of U.S. international economic positions, there was the real danger that the American currency crisis could grow into a world currency crisis with serious economic and political implications for the entire capitalist economy.

Under these conditions the U.S. Government had to turn full circle in its monetary policy and announced a program for the protection of the dollar on 1 November 1978. The program declared "voluntary" price and wage controls and the need to reduce the federal budget deficit, institute Federal Reserve System (FRS) monetary restrictions in the United States, form a special currency fund for massive currency injections to maintain the exchange rate of the dollar and broaden sales of American gold at the monthly auctions conducted by the U.S. Department of the Treasury.⁵

Although the November 1978 program signified that U.S. ruling circles had moved on from the passive monetary policy of "benevolent indifference" to the protection of the dollar's international positions with the use of state-monopoly leverage, it was ineffective on the whole because it did not eliminate the deep-seated causes of the general deterioration of U.S. international economic positions and the country's failure to keep up with its chief imperialist rivals in terms of a number of economic indicators.

The critical nature of the currency situation in the world capitalist economy was compounded by stronger polycentric tendencies in the monetary sphere. They were reflected in the decision adopted in March 1979 by the EEC countries on the creation of a regional currency bloc, to be called the European Currency System.⁶ One of the main purposes of this bloc was to reduce the dependence of the Western European countries on the preeminence of the American dollar, presupposing the reduction of its use in the reciprocal payments and currency operations of these countries.

The catastrophic escalation of inflation in the United States was the main internal economic factor of change in American currency strategy. Since the second half of 1977 the annual rates of increase in the retail prices of goods and services have been measured in double-digit figures. Inflation on these scales intensifies disparities in reproduction and deals the most severe blow to the standard of living of the popular masses, ultimately threatening the ruling class with a new round of economic and social conflicts.

The renunciation of the concept of non-intervention in the currency sphere essentially signified official recognition of the failure of this "non-intervention." The growing instability of American currency relations and the dramatic deterioration of the dollar's international positions motivated U.S. ruling circles to influence the dollar exchange rate with the aid of intervention and a restrictive monetary policy.

The ineffectiveness of these efforts was the reason for the new "emergency" programs announced on 6 October 1979 and 14 March 1980. They contained anti-inflationary measures which included a rise in the interest rates of FRS banks and a change in the guidelines of monetary policy, taking the form of further restrictions on the total amount of money in circulation.

But these "props" for the dollar produced only a short-term impact. The exchange rate of the dollar rose, but the rise was not stable because it was based on a temporary increase in the relative profitability of dollar deposits as a result of the higher interest rates in the United States, and not on the elimination of the basic reasons for the deterioration of the American currency's position. In the beginning of April 1980, as soon as the interest rate on loans began to drop slightly, the exchange rate of the dollar underwent another swift decline, nullifying the American Administration's efforts to strengthen the international position of its currency.

The declining strength of the national currency inflicted great political and economic injuries on U.S. international positions. The weakness of the dollar led to a relative reduction in its use in international payments and loans with a simultaneous increase in the use of the currencies of America's rivals in international circulation (the West German mark, the Japanese yen and others). The proportion accounted for by the dollar in the Eurocurrency market dropped from 80 percent in 1976 to 74 percent in 1980. The falling exchange rate of the dollar made the purchase of new enterprises abroad more expensive for American international monopolies. Capital even began to return to the United States. Military-police functions in the capitalist world also started to cost more. Under these conditions the United States exerted stronger pressure on its allies, especially the FRG and Japan, urging them to increase their military spending and take on part of these functions, and made sharp cuts in aid to developing countries. As a result, for example, the U.S. share of aid offered to the developing states by the developed capitalist countries decreased from 40 percent at the beginning of the 1970's to 27 percent at the end of the decade. The share of the FRG rose from 10 to 14 percent over the same period. The role of the dollar as an instrument of American diplomacy was noticeably weakened.

The weak, "cheap" dollar made the acquisition of securities, land and enterprises in the United States convenient for foreigners. The United States itself became the target of expansion by foreign capital. For the first time in many years, it was in debt to Western Europe. The assets of the Western European countries in the United States were 55 billion dollars greater than American assets in Western Europe in 1980.⁸

Intensification of Currency Conflicts at the Beginning of the 1980's

The Carter Administration's inability to simultaneously achieve the goals of foreign economic policy and domestic economic development by various means of state-monopoly regulation motivated Republican theorists to "reassess priorities." The ineffectiveness of the government's attempts to influence the economy by means of purposeful intervention in economic processes did much to revive the philosophy of free enterprise, embodied in the Reagan economic program. In spite of all the talk about the limitation of government intervention, however, the Reagan Administration's restrictive policy in the sphere of credit and high interest rates, which were made necessary by the struggle against inflation, had a direct effect on the international position of the dollar.

In the sphere of monetary policy, the Reagan Administration's approach took the form of a revival of "benevolent indifference"--that is, the refusal to try to influence the fate of the dollar. To some degree, this approach is consistent with the spirit of the declared economic policy in general, but the present international functions of the American currency had been completely ignored. The American authorities have once again renounced currency intervention as a means of maintaining the exchange rate of the dollar.

In his economic report to the Congress at the beginning of 1982, Ronald Reagan stressed that the special position of the American currency in the monetary system of capitalism demanded the reinforcement of its "strengths and stability." The report expressed the U.S. Government's intention to aid in the reinforcement of the dollar, and not "by means of government intervention in the currency markets," but by means of a "non-inflationary economic policy," aimed at improving the state of the national economy. As for the currency exchange rate, it, like the prices of other goods, should rise and fall under the influence of supply and demand patterns. The United States believes, the President said, that currency exchange rates should be permitted to adapt to changing economic and financial conditions. As for the United States' partners, the report stressed, they should "voluntarily" agree with the currency policy of the United States, as the leading power in the capitalist world, and conform to it.⁹

This clearly demonstrates Washington's self-interest. Although the United States recognizes its currency's role in world economics and its dependence on domestic economic factors, it has no intention of taking these facts into account in its currency strategy.

At the beginning of the 1980's Washington began to openly dictate monetary terms, ignoring the interest of its partners and the injuries inflicted by American currency policy on their economies. In fact, in spite of all the

talk about limited government intervention, the Reagan Administration's restrictive policy in the sphere of credit and high interest rates are now having a direct and substantial effect on the position of the dollar. This policy, which is dictated by purely domestic economic factors, contributed much to the rise in the exchange rate of the dollar after the beginning of 1981. Between June 1980, when the exchange rate of the dollar fell to its lowest level in 10 years, and August 1981, when this rate rose to the December 1971 level, its average exchange rate in relation to the ten main currencies of the developed capitalist countries rose by 31.3 percent (see Table 2).

Table 2

Changes in Exchange Rate of Dollar (In National Currency
Units per Dollar, for the End of the Period)

<u>Years</u>	<u>FRG Mark</u>	<u>Yen (Japan)</u>	<u>Swiss Franc</u>	<u>French Franc</u>
1970	3.65	360	4.32	5.52
1975	2.62	305	2.62	4.47
1977	2.09	240	1.98	4.70
1978	1.82	194	1.62	4.17
1979	1.73	240	1.60	4.02
Drop in dollar exchange rate from 1971 to				
1979, %	53	33	63	27
1980	1.96	202	1.76	4.51
1981	2.25	220	1.80	5.72
1982				
First quarter	2.41	246	1.93	6.25
Second quarter	2.46	256	2.10	6.79

"International Financial Statistics" for the corresponding period; BANK OF ENGLAND QUARTERLY BULLETIN for the corresponding period.

The rise in the exchange rate of the dollar combined with its unexpected and dramatic fluctuations gave rise to an entire group of new problems in the capitalist economy. In the first place, the direct connection between rising American interest rates and the rising exchange rate of the dollar intensifies the fluctuation of the exchange rates of European currencies in relation to the dollar. In 1981 the range of fluctuation of the American currency's exchange rate was from 17 to 30 percent. This kind of fluctuation has a negative effect on world economic ties and on the development of world trade in particular.

In the second place, high interest rates stimulate the transfer of capital from the Western European countries to the United States. As a result, the national economies of the European countries are suffering from a shortage of funds for expanded domestic capital investments, which could aid in the reconstruction of several now depressed industries, heighten the competitive potential of European goods and reduce unemployment.

In the third place, the disrupting influence of U.S. monetary policy is also reflected in the fact that the Western European governments have had to raise their own interest rates in order to reduce the flow of short-term capital out of their own countries and to alleviate the inflationary effects of the fluctuating exchange rates of their own currencies. This makes it difficult for them to react to alternative phases of the economic cycle and lowers the overall effectiveness of their economic policy. In particular, the majority of Western European countries had to follow the U.S. example and combine various forms of "hard" monetary policy with "soft" fiscal policy, which has increased budget deficits, raise interest rates, increased unemployment and escalated inflation. Furthermore, the budget deficits of many Western European countries have become chronic.

In the fourth place, the rise in the exchange rate of the dollar raises the cost of imported raw materials for Western Europe. For example, despite the recent relative stability of world oil prices in U.S. dollars, imported oil has cost the Western European countries more because of the rising exchange rate of the dollar.

Although the depreciation of the Western European currencies made their export more competitive, this factor does not compensate for the higher cost of imported raw materials. As a result, important changes have taken place in the U.S. and Western European balances of payments in recent years. The improvement of the U.S. balance of payments has been accompanied by the deterioration of the foreign economic positions of most Western European countries (see Table 3).

Table 3

Balance of Current Operations in the Main Capitalist Countries,
Billions of Dollars

Countries	1978	1979	1980	1981
United States	- 14	- 0.8	3.7	6.5
FRG	9.2	- 5.3	-16.7	- 7.6
France	3.7	1.2	- 7.8	- 7.5
England	1.2	- 3.5	6.4	16.2
Italy	6.2	5.2	9.9	- 8.0

Compiled according to: "OECD Economic Outlook" for the corresponding periods.

Besides this, Western European exporters have become the victims of American anti-dumping regulations as a result of the depreciation of their currencies. As we know, the United States has a so-called "automatic price review mechanism," according to which a drop below a certain level in the price of an important commodity automatically begins an official investigation to determine whether dumping is taking place. For example, in the middle of 1981, when the price of European steel fell below the American level, European producers were accused of dumping. Conflicts connected with steel imports have now become particularly acute.

The negative effects of the imperialist pre-eminence of the dollar influence world economics and the position of the developing countries. According to estimates, the total foreign debt of these countries has exceeded 540 billion dollars. This huge foreign debt is a heavy burden for the young economy of a developing state. For example, their annual payments on this debt alone have risen from 11 billion dollars in the beginning of the 1970's to 88 billion at present and represent around one-fourth of their export revenues. These factors, along with the requirements of social and economic development, explain their colossal need for foreign sources of financing. However, the policy of the goal-oriented financing of investments, conducted by such international monetary organizations as the IBRD and IMF, is geared primarily to the interests of American monopoly capital and only reinforces the existing system for the exploitation of the natural and labor resources of these countries, which have to resort to private financing and thereby agree to crippling credit terms.

The high interest rates in the U.S. credit market lead directly to an uncontrolled increase in the number of dollars in world circulation, which has been graphically demonstrated in the constant growth of the Eurodollar market. This is an adverse influence on the effectiveness of the domestic economic policy of various countries.

Besides this, the peculiarities of the current monetary mechanism are promoting the development of the speculative mentality in currency and financial operations and the transfer of capital from the sphere of productive use to the sphere of shady financial transactions and speculation. The heightened currency risk of participants in foreign trade transactions was one of the reasons for the slower growth rate of world capitalist trade and for the decline of 1 percent in the total volume of this trade in 1981.

The governments of a few Western European countries, especially the FRG and France, realize the adverse implications of U.S. monetary policy and have repeatedly requested the American Administration to relax this policy. To date, however, the American side has not found these requests to be worthy of consideration.

The United States' indifferent attitude toward the interests of its partners was demonstrated once again at a conference of the "big seven" in Versailles. Just as at previous meetings, pompous rhetoric could not make up for the lack of significant practical results. The final declaration was so vaguely worded that all participants could feel satisfied. However, cardinal differences in the positions of these countries, especially the United States and France, and in their interpretations of the text of the declaration were already revealed at the final press conference. The conference declaration had only one statement to make about the stabilization of international currency relations: "We will strive for the constructive and controlled development of the international currency system by means of closer cooperation among currency agencies of North America, Japan and the European Community to achieve medium-range economic and monetary goals."¹⁰ Besides this, in a separate "statement on international monetary commitments," the importance of

coordinating economic policy and of closer cooperation within the IMF framework to maintain monetary stability and the significance of joint currency intervention were also noted in fairly general terms.¹¹ The actual ineffectiveness of the conference of the "big seven" proves, however, that no real solutions have been found as yet for existing problems.

In addition to the pernicious effect of Reagan's monetary policy on the United States' partners, there is also the adverse effect of the present situation in foreign markets on the American economy. The fact is that the existing connection between the level of interest rates and the exchange rate of the dollar, as we have already noted, has raised the exchange rate considerably. The value of the dollar in relation to the Japanese yen has risen by more than one-third since the end of 1978 although the rate of inflation in the United States has been 20 percent higher than in Japan during the same period. The artificial rise in the exchange rate of the American currency is now estimated at 15-20 percent.¹² As a result of the rise in this rate in the last 2 years (1980-1981), the competitive potential of U.S. goods in relation to the goods of America's main competitors decreased by an average of 25 percent, including a decrease of 50 percent in the FRG and Japan. The portfolio of orders of many large American firms has been reduced by 40-50 percent. Experts from the Revlon Company, for example, have calculated that the higher exchange rate of the dollar has caused them 23 million dollars in potential profits from overseas activity.¹³

The generally low competitive potential of American goods has been due to the slower growth rate of labor productivity, the insufficient increment of new capital investments and some other production factors. According to expert estimates, however, even a change in these factors will not improve the situation if the exchange rate of the dollar remains high. In this connection, a statement by Roger Brynner, vice president of Data Resources, is indicative: "When we say that we are undergoing a recession because our enterprises cannot compete and because other states refuse to buy our goods, we are losing sight of the reason for all this. We are falling behind in business because the exchange rate of the dollar is too high."¹⁴

The high exchange rate is having an even more serious effect on the state of the U.S. economy as a whole. According to available estimates, the deterioration of the competitive potential of American goods by only 1 percent reduces the balance of trade by 2-3 billion dollars. According to the estimates of the U.S. Department of the Treasury, the exports of the processing industry are expected to decrease by 8 billion dollars during this year alone, which will bring the deficit in the balance of trade up to 32 billion in comparison to 27.6 billion in 1981 and 24.2 billion in 1980. All of this will mean the loss of 250,000 jobs. Although some of the decrease could be due to economic recession in the countries trading with the United States and to deteriorating market conditions, it has been acknowledged that pricing factors connected with changing exchange rates are the main reason.¹⁵

This export lag is undermining U.S. positions in world trade. According to some data of the U.S. Department of the Treasury, published in April 1982, the U.S. share of the world product of the processing industry is much

smaller than it was last year, and once again "possibly as a result of the abrupt rise in the value of the dollar in 1980-1982."¹⁶ The present decline in foreign economic activity is the opposite of the tendencies displayed at the end of the 1970's, when American foreign trade grew much stronger. The events of the early 1980's led to a new reduction of the U.S. share of world capitalist trade to 10 percent.¹⁷

The effect of the reduction of exports on the U.S. economy is attested to by the reduction of the American GNP by 18 billion dollars (in 1972 prices) in 1981. Furthermore, "net" exports--that is, the difference between total exports and imports--decreased by around 12 billion dollars during this period. In all, according to available data, the reduction in net exports between the first quarter of 1981 and the first quarter of 1982 was equivalent to 40 percent of the reduction of the real GNP.¹⁸ Senior Vice President Milton Hudson of the Morgan Guaranty Trust remarked: "There is no doubt that the inability of our enterprises to compete in the domestic market and abroad is an extremely important factor weakening the American economy."

There is also no doubt that the Reagan Administration's "policy of non-intervention" in monetary affairs is creating several serious problems for the United States' partners and is injuring the American economy. In spite of this, as recent statements by Secretary of the Treasury D. Regan indicate, Washington intends to continue its policy of high interest rates. Its huge and constantly growing federal budget deficit makes this necessary. Besides this, the American Administration regards the high bank rates in the United States and the strong dollar as some of its main trump cards in negotiations with Western European partners with regard to key issues in international relations.

However, considering the fact that the Reagan Administration has not been able (and, in the opinion of many experts, will not be able) to achieve the kind of economic reorganization that could serve as a solid basis for the revitalization of the dollar, and considering the fact that the policy of the deficit financing of the U.S. arms race is complicating the position of the dollar even more, hard times can be expected in the capitalist economy. The dollar, which is still the central link in capitalism's present currency system, has turned into a kind of detonator of conflicts and crises in this system.

FOOTNOTES

1. SURVEY OF CURRENT BUSINESS, March 1981, p 50.
2. "Statistical Abstract of the United States 1981," p 837.
3. See, for example, THE NEW YORK TIMES, 12 March 1978.
4. H. Roosa, "The Dollar and World Liquidity," N.Y., 1967, p 319.
5. For more about this program, see MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTHNOSHENIYA, No 10, 1979; DEN'GI I KREDIT, No 7, 1979; SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 2, 1980.

6. For more about this system, see DEN'GI I KREDIT, No 5, 1979; MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, No 5, 1979.
7. Calculated according to: "IMF Annual Report 1979," Wash., 1979, p 69; "IMF Annual Report," Wash., 1981, p 54.
8. "Statistical Abstract of the United States 1981," p 833.
9. "Economic Report of the President," Wash., 1982.
10. LE FIGARO, 7 June 1982.
11. AGFEL, 7 June 1982.
12. INSTITUTIONAL INVESTOR, June 1982.
13. NEWSWEEK, 30 November 1981, p 41.
14. INTERNATIONAL HERALD TRIBUNE, 28 April 1982.
15. THE WALL STREET JOURNAL, 13 May 1982.
16. Ibid.
17. INTERNATIONAL HERALD TRIBUNE, 28 April 1982.
18. Ibid.

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'PERCEPTION THEORY,' 'WINDOW OF VULNERABILITY,' 'LINKAGE' CONCEPTS SCORED

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[Article by A. A. Kokorev: "False and Dangerous Conceptions"; passages rendered in all capital letters printed in boldface in source]

[Text] The history of modern U.S. military policy testifies that American imperialism cannot give up its inclination to rely on force as the main method of achieving its goals. Proceeding from this, the American military-political leadership is escalating the arms race, regarding it as the material basis of U.S. foreign policy.

This policy is being quite visibly and concretely pursued by the Reagan Administration. It has concentrated on undermining the Soviet-U.S. balance in the area of strategic nuclear weapons. People in Washington today are trying in every way possible to keep the American public from learning that the administration was defending the SALT II treaty as recently as fall 1979, when it was being discussed in the Senate, and that the figures in the treaty, attesting to the parity of Soviet-U.S. military strength, did not evoke any fundamental objections at that time. And even later, in the Defense Department's report and request for Pentagon allocations for 1982, it was frankly acknowledged that "the United States and the USSR are approximately equal in terms of strategic nuclear strength."¹

To put a "theoretical" base and, even more important, a practical base under the "tough line" in relations with the USSR and under the policy of arms race escalation, and to disrupt the existing balance, the current administration is doing more than any of its predecessors to encourage the efforts of the most belligerent members of the "academic complex" who have put forth a number of theories to justify the arms race.

The So-Called 'Perception Theory'

In accordance with concepts like this, the achievement of military superiority for the United States is connected primarily with the achievement of nuclear superiority. There is some question, however, about its actual determination and measurement. The authors of these concepts do not take the trouble to engage in truly scientific investigations and analyses. They prefer "speculative theorizing."

one widely used device in this area in recent years is a "simple but ingenious" invention ascribed to former U.S. Secretary of Defense J. Schlesinger, now senior consultant to the Georgetown University Center for Strategic and International Studies in Washington, which is quite closely connected with the Reagan Administration. Schlesinger, according to renowned American political scientist A. Cox, developed the "simple but false" theory of the "perception" of military strength.² The main premise of this theory, which is essentially not even a theory but just another specific way of justifying the arms race, is that "incorrect ideas" about U.S. military strength or the "loss of faith" in the American nuclear "deterrent" could give the Soviet Union a great political advantage. "We must be certain in any case," states the annual report presented by the U.S. secretary of defense in connection with the submission of the draft military budget to the Congress for the next fiscal year, "that U.S. nuclear potential conveys the correct idea of American strength."³ For this reason, all decisions connected, for example, with the determination of the "necessary size of strategic forces" are made, according to American specialists, "primarily on the basis of perceptions of the Soviet-American strategic balance."⁴ "Our defense budget requests unavoidably reflect our view of the United States' role in the world,"⁵ one Pentagon report frankly says.

When Schlesinger was U.S. secretary of state, he had the following to say about this approach: "The very IMPRESSION (emphasized in the original--A.K.) of a lag, regardless of its real significance, could have serious political implications," resulting in the creation of "obvious motives to achieve not only real superiority but even the appearance of this kind of superiority."⁶

The "perception theory" gradually became so "fashionable" in the United States that the aforementioned Georgetown University Center for Strategic and International Studies defined the strength of the state precisely from the standpoint of the "perception" of its power, and not on the basis of its real strength, when it prepared a special report entitled "World Power Assessment." "Power is a subjective factor," the authors of this study say, "and it does not necessarily have to be used to produce the results desired by those who possess this power. The leaders of states make foreign policy decisions on the basis of some kind of mental plans or proceed from their perception of their own strength and assessment of the strength of others. Although these mental pictures might not always be accurate, they nevertheless determine decisions."⁷

Therefore, although this "theory" is officially ascribed to J. Schlesinger, who made a special "contribution" to its development when he was secretary of defense, it actually existed in American politics long before that time, and it was around when all of the previous "gaps" between the United States and the USSR were being announced. In the middle of the 1950's, for example, there was a widely publicized "gap" in bomber aviation, in 1959-1960 there was a "missile gap," in 1967-1968 there was a "gap" in missile defense and then a "gap" in the strategic missile payload, etc.

Although it was later explained in each case that no real gap existed, by that time the Congress would have already allocated billions of dollars for their elimination. In other words, the appearance of a gap was created in order to promote certain armament programs.

"President Kennedy insisted that there was a missile gap," Chairman W. Fulbright of the Senate Foreign Relations Committee said in this connection. "There was a gap, but it was on the other side."⁸ Here is the testimony of another authoritative individual. In March 1979 U.S. Deputy Secretary of Defense C. Duncan said in reference to the U.S. "gap" that, "to a significant extent, we created this impression in a conscious attempt to overcome the antiwar feelings and inclination to cut the defense budget, which were apparent in the beginning of the 1970's."⁹ This explains why the U.S. Government, according to American sources, "displays a deeply entrenched tendency to overestimate Soviet military strength and underestimate the strength of the United States and its allies"¹⁰ in its assessments of the Soviet Armed Forces.

A study by the Center for Defense Information, headed by Retired Admiral J. Larocque, told how an artificial "crisis of American security" is actually created and how the Pentagon makes use of the "crisis" with the aid of a loud propaganda campaign.¹¹ The BULLETIN OF THE ATOMIC SCIENTISTS also explained in simple terms how and why this is done: The Pentagon usually encourages "research" based on the "worst situation and then, after ascribing Soviet military potential "the most threatening dimensions," seeks an increase in federal budget funds.¹²

As a result, the concept of "perceiving" military strength as an operational method has put down deep roots in the United States and is stimulating an unbridled arms race. When current Secretary of Defense C. Weinberger requested the Congress for the largest defense appropriations in all U.S. history, he also referred to the "perception" of American military strength abroad. In his words, "a shortage of these funds" might "undermine trust in the United States on the part of its partners in the Western Alliance and other countries" and convey the "impression (or perception--A. K.) that we are incapable of quick and appropriate reactions."¹³ Those who support the deployment of MX missiles have also substantiated their position with the allegation that "perception" will otherwise favor the Russians, with all of the ensuing unfavorable political implications for the United States.

"The theory of perception is an extremely clever ruse, with the aid of which military expenditures acquire seemingly valid backing,"¹⁴ A. Cox emphasizes.

This approach also has another aspect. The theoretical premises of American strategists have always evinced a desire to convince the Soviet Union that the American side could choose escalation, relying on its superiority in arms. Now that the USSR has achieved parity, however, it is much more difficult for American ruling circles and their strategists to do this. This is why they want to break out of the situation of parity and, with the aid of theories of this kind, continue their dangerous escalation of the arms race.

Today there is more and more reason to believe that rightwing forces in the United States once subjected the SALT II treaty, signed by the USSR and the United States, to massive attacks primarily for the simple reason that it recorded the equality of the two sides' strategic arsenals. It is precisely this equality that displeases the forces which have now gained the upper hand

in the United States: it is totally inconsistent with the use of strategic forces both within the context of the "perception" theory, which is now so popular in the West, and in the capacity of political leverage.

"Perception" theory also has the most direct connection with the entire process of arms limitation and reduction and the talks on various aspects of this matter. "We believe that we cannot sit down at the negotiation table without having something in reserve to help us in these negotiations,"¹⁵ former Secretary of State A. Haig said in the middle of 1981, transparently hinting at the "position of strength." Another former secretary of state, C. Vance, once explained that the program for the "modernization of European theater forces" was needed to put an end to the "general perception in NATO of the growing strength of the USSR."¹⁶

"Perception theory," A. Cox testifies, "is a logical justification for the continuous arms race and will be used as such until Congress and the people realize that this is empty rhetoric."¹⁷ "Political assessments are made on the basis of crude and naive perceptions...influencing political assessments and strategic plans"; these "perceptions" are naturally "not static, but are in a state of development,"¹⁸ R. Cline also stresses (that is, they can always be used to explain the need for any new dash in the arms race).

The Thesis About the 'Window of Vulnerability'

Another fairly popular and equally casuistic "argument" in favor of the further augmentation of American nuclear missile potential is the thesis of the "window of vulnerability." We could even say that the already familiar theory of "perception" was circulated by the Reagan Administration as an operational method to justify the arms race in the form of the modified and superficially bright thesis of the "window of vulnerability."

In essence, this is a theory about the allegedly growing vulnerability of existing American land-based ICBM's to the "threat of a massive Soviet first strike." This Soviet "threat," according to American sources, followed the CIA's example and began looking through the "window of vulnerability" which was "opened" to it by the CIA as early as 1978, when new intelligence assessments supposedly provided reason to believe that Soviet warheads would be more accurate by 1982 and would be capable of destroying the permanent launching sites of American ICBM's. In fact, the "hawks" began to spread this new rumor during the campaign against the SALT II treaty, which was close to completion and would soon be signed in June 1979.

It was in the atmosphere of the heated political battles of the 1980 presidential campaign that the thesis of the "window of vulnerability" was developed. Later the use of this term became almost mandatory in Ronald Reagan's speeches. His famous statement of 2 October 1981 was no exception to the rule. At this time, the President announced the new 5-year program for the "modernization" of strategic nuclear forces. "A window of vulnerability is opening," he said, "which could pose a threat not only to our hopes for serious productive arms limitation talks but also to our hopes for peace and freedom."¹⁹

At one time the thesis of the "window of vulnerability" was supported by overt opponents of the SALT II treaty and by some of its supporters, who evidently decided that this compromise would speed up its ratification. But even then, the seriousness of this "argument" was doubted. For example, on 4 October of that same year, a WASHINGTON POST correspondent suggested that the Reagan Administration had "attached too much significance" to this "threat" and that the admission that "the window of vulnerability does not exist at all" could be expected in the future. Incidentally, as early as September 1981, Secretary of State A. Haig stressed that the "window of vulnerability" was a "tendency," and not a "fact."²⁰

Therefore, in this case as well, it is not concern for "national security," but a desire to obtain certain political advantages in the world arena, to satisfy American imperialism's hegemonistic ambitions and to provide the largest arms manufacturers with new superprofits, that motivated the authors of the fable about the "window of vulnerability."

Nevertheless, the powerful propaganda machine is regularly suggesting to the American public that this "window of vulnerability" can supposedly be "closed" only by the widely publicized deployment of the new MX missiles--that is, even in this case we see how the declaration (even if on false premises) of the concept of the "window of vulnerability" was almost automatically followed by new Pentagon strategic arms programs.

The pseudotheoretical arguments about the "window of vulnerability" turned into billions of dollars for the military-industrial complex. The decision to "close" this "window" with the new program for the "modernization" of strategic nuclear forces will cost the American taxpayers at least 180 billion dollars in the next 5 years.

Another indication of the falsity of the thesis of the "window of vulnerability" is that its "existence" is arbitrarily set in different time periods. At first, when the mobile ICBM model was being advertised, strategists from the Reagan Administration "opened" this "window" expressly to justify the "vulnerable" method of storing land-based ICBM's. Later, when the final decision on the MX storage method was postponed, the "window of vulnerability" was just as arbitrarily moved into the future. Now when the Pentagon speaks of the danger of "vulnerability," it schedules the opening of the "window" for the period after 1984, or even 1987.

It is important to know that official American propaganda is deliberately emphasizing the "vulnerability" of the land-based missiles and is deliberately saying nothing about the two other "legs" of the strategic triad, namely submarine-based ballistic missiles and heavy bombers.

Even some experts in the United States have taken an extremely skeptical view of the "window of vulnerability" thesis which has been taken up by the Reagan Administration, acknowledging that the land-based missile forces of both sides are vulnerable. This is attested to, incidentally, by the recent appearance of the term "parity of vulnerability." Indeed, if vulnerability does exist, it is primarily in the very approach of the American military-political leadership to the resolution of urgent problems of international

security and the problems of strategic arms limitation. After all, it was the United States, and not the USSR, that acted with a lack of ceremony rare in international practice when it shelved the SALT II treaty after it had already been signed by the top leaders of the two countries; it was the United States, and not the USSR, that cut off or froze talks in a number of other areas in the sphere of arms limitation; it was the United States, and not the USSR, that has been escalating the arms race and extending it to such weapons of mass destruction as chemical weapons and to outer space, etc.

The Soviet Union has no intention of attacking anyone, and this is clear to any politician of integrity with a knowledge of international affairs. After all, it was no one other than the Soviet Union that proposed a nuclear and conventional non-aggression pact in 1979. The United States and NATO rejected this proposal. Furthermore, it was precisely the Soviet Union that put forth a proposal at the 36th Session of the UN General Assembly on the adoption of a declaration by this international forum to declare the first use of nuclear weapons the gravest crime against mankind. Once again, the United States refused to support the resolution on this matter. Finally, from the rostrum of the Second Special Session of the UN General Assembly on Disarmament, the USSR announced its commitment not to initiate the use of nuclear weapons. If the other nuclear powers were to make an equally clear and concise pledge, this would be tantamount to a general ban on the use of nuclear weapons. The United States, however, did not respond in kind.

Former U.S. Ambassador to the USSR A. Harriman, a prominent figure in American politics, was right when he said that "instead of trying to close the imaginary 'window of vulnerability,' the United States should make use of the 'window of opportunity' which is opening up for the purpose of nuclear arms limitation."

The Policy of "Linkage"

In the arsenal of diplomatic means of struggle against the USSR, including the means used in arms limitation talks, one of the methods which has recently been used with increasing frequency by the American side is the so-called "linkage" method, in which the conclusion of agreements on specific matters is made directly or indirectly dependent on the resolution of problems unconnected with the topic of the negotiations or on actions in other areas. Furthermore, when Washington demands "good behavior" from the Soviet Union, it naturally reserves the right to define these "rules of etiquette." The concept of "linkage," which has been used on the American side in the practice of American-Soviet relations, dates back to the first steps taken by the Nixon Administration. In scientific literature and various monographs it is most often associated with Henry Kissinger, who tried to apply his own theoretical postulates at the start of negotiations with the Soviet Union when he was the President's personal secretary and then the U.S. secretary of state. In his memoirs, he first coined the term "linkage" at a meeting with newsmen on 6 February 1967, when he connected the strategic arms limitation talks with the USSR in the general political atmosphere in the world, giving the concept of "linkage," according to his own definition, in light of the "overall strategic and geopolitical situation."²²

Seeking "concessions" from the Soviet Union on the threshold of the bilateral Soviet-American talks, in which the USSR was supposedly more interested than the United States, the Nixon Administration tried, especially in the beginning, to "link" SALT with the resolution of several other international problems to the advantage of the United States--for example, problems in the Middle East and Southwest Asia.

Experiments in the "linkage" of various problems were extended by subsequent American administrations to other areas of political, trade and economic relations. At the beginning of 1978, H. Baker, Senate Republican leader, used this method to link SALT with...the Soviet support of Ethiopia after it had been subjected to aggression. Taking a hard line and resorting to the same theory of "linkages," the Carter Administration actually brought the trilateral (with England) talks on the total and universal nuclear test ban to a standstill, refused to continue the talks on the limitation of military activity in the Indian Ocean zone and declined to resume the talks on the limitation of conventional arms transfers. The ratification of the SALT II treaty, this exceedingly important international document which had been signed by the USSR and the United States, also fell victim to "linkage." The Carter Administration artificially "coupled" it with...the entry of a limited Soviet military contingent into Afghanistan at the end of 1979 at the request of the Afghan Government and in accordance with the Soviet-Afghan treaty and the UN Charter. Later, this "linkage" was publicly denounced by no one other than the U.S. secretary of state. On 29 May 1981 he said: "Many people are saying that the SALT II process was undermined by Afghanistan. This is absolutely untrue."²³

The "linkage" concept is essentially one of the main foreign policy thesis of the present administration as well. At his very first press conference, U.S. President Ronald Reagan made some frankly distorted remarks about the SALT II treaty, stating, for example, that the main aspects of talks with the USSR would not be the discussion of the terms of arms race limitation, but the linkage of this problem with other matters not related to this subject. "It is impossible to sit at the negotiation table and negotiate without giving some thought...to all other current events," he said. "In other words, I support linking."²⁴ Alexander Haig also stressed that "linkage" was the administration's main concept, and this meant that negotiations and their principles, volume and level would depend on Soviet "behavior" in the international arena in the broadest sense of the term.²⁵

This statement actually signifies a preliminary condition for disarmament talks. It is obvious, however, that the only purpose of these "linkages" is to undermine the basis of negotiations because it is quite unlikely that anyone could seriously expect the USSR to agree to any kind of preliminary conditions or to the assessment of its "behavior" by American standards. In essence, this is an attempt to substitute this pseudosystem for the fundamental principles of intergovernmental relations recorded in the UN Charter, in the 1955 Geneva Declaration on the Guiding Principles of Co-operation and in bilateral Soviet-American documents.

The Soviet Union's stand on this matter is clear and consistent. "Diplomacy demands 'results,' and not 'linkages,'" L. I. Brezhnev said in a talk with representatives of the Advisory Council of the Socialist International on Disarmament in February 1982. "The confused tangle of conflicts and disputes in today's world cannot be undone by any kind of sword. The only possible method is the method of patient and constructive negotiations, and these negotiations must ensure the actual limitation and elimination of weapons."²⁶

Even many people in the United States are aware of this. In particular, Senator A. Cranston, one of the influential members of the Senate Foreign Relations Committee, announced its rejection of the "linkage" principle. Some American experts have also pointed out the danger of "fashionable" innovations like this. One of the bulletins of the Washington Center for Defense Information logically proved that "theories" of this kind, which are not even accompanied by material and technical preparations for first-strike potential, lead directly to the heightened probability of nuclear war and the unjustified expenditure of resources and, obviously, create new difficulties in the process of arms limitation and disarmament. The current administration's foreign policy line was also criticized by authoritative figures from previous American administrations, such as former Secretary of Defense R. McNamara, former U.S. Ambassador to the USSR G. Kennan, former National Security Adviser M. Bundy and former Director of the Arms Control and Disarmament Agency J. Smith. From the pages of the influential journal FOREIGN AFFAIRS, they asked the U.S. leadership to give up the concept of the first use of nuclear weapons. "As soon as we have no need to convey the impression that we want to and can use these weapons first," the article by these authors said, "we will see that we have much more modest needs and requirements than our present policy implies." Besides this, the refusal to use nuclear weapons first, they believed, would help to improve U.S. relations with the Soviet Union, which has repeatedly proposed negotiations for this purpose.²⁷

Now that the USSR has unilaterally pledged not to use nuclear weapons first, the refusal of the Eisenhower Administration to take a similar step has shown the entire world more clearly the purpose of all of Washington's "theories" and the actual source of the real threat to peace.

Under the "false" pretenses of the present international situation, the risk alone faced by the overseas strategists could bring about a catastrophe for the mankind as a result of some sort of miscalculation. All of the various "theories" and concepts designed to justify and escalate the arms race are particularly dangerous.

The people of the world are growing increasingly aware of the seriousness of the present situation and the dangerous nature of the actions of U.S. and NATO militarists. It is not surprising that the main demand on all continents is for a consistent "no" to the arms race.

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MILITARY AID TO PAKISTAN CRITICIZED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 11, Nov 82
(signed to press 21 Oct 82) pp 61-65

[Article by N. S. Beglova: "Pakistan--The 'Eastern Outpost' in U.S. Strategic Plans"]

[Text] The Reagan Administration's request for credit allocations totaling 275 million dollars in fiscal year 1983 (beginning on 1 October of this year), to be extended to Pakistan for the purchase of American weapons, has aroused the interest of many political analysts. This money, according to what Assistant Secretary of State for Near Eastern and South Asian Affairs N. Veliotis told the Senate Subcommittee on Foreign Assistance, will be used to pay for F-16 planes, armored vehicles, artillery weapons and other weapons ordered by Pakistan, and for the purchase of additional military equipment it will be ordering in the future.

For the sake of comparison, we should note that when the Carter Administration decided to resume military aid to Pakistan at the end of Carter's term in office, it offered this country 35 million dollars for these purposes in 1980.*

A delegation headed by President Carter's national security adviser, Z. Brzezinski, went to Islamabad at the beginning of February 1980 expressly to discuss American economic and military aid with the Zia-ul-Haq Government. During this visit, Washington reaffirmed its adherence to the 1959 American-Pakistani agreement and its willingness to give Pakistan considerable military and economic assistance. Brzezinski's talks did not, however, produce the desired result. Zia-ul-Haq complained that the 400 million dollars the United

* The United States stopped giving Pakistan extensive military aid in 1965 at the time of the Indo-Pakistani conflict. Although the ban on sales of weapons has since been canceled, as was the case in 1975, and reinstituted, particularly after the adoption of the "Symington amendment" in 1976, which prohibited the extension of aid to countries working on the development of their own nuclear weapons, the United States has not been sending Pakistan any new types of weapons, confining deliveries to some types of available obsolete equipment and spare parts for previously purchased weapons.

States was offering for the next 2 years (with 200 million earmarked for military purposes) would not be enough and refused to accept this aid.

The question of American aid to Pakistan was put back on the agenda at the start of the Reagan Administration. As a result of the visits of the Pakistani foreign minister (then Agha Shahi) to Washington in April 1981 and Undersecretary of State J. Buckley to Islamabad in June and September of the same year, the appropriate American-Pakistani agreement was concluded.

It consists of two parts. The first concerns the allocation of 3.2 billion dollars over a period of 6 years for economic and military aid to Pakistan, and the second concerns the sale of 40 F-16 planes and some other military equipment for a sum of 1.1 billion dollars to Pakistan. Exactly half of the 3.2 billion dollars is designated for Pakistani military credit, and the annual (fiscal year) amount of credit will increase: from 275 million dollars in 1983 to 300 million in 1984 and 326 million in each subsequent year up to 1987. Besides this, in 1983 and 1984 Pakistan will receive 800,000 dollars each year for the training of its military personnel, and from 1985 to 1987 the United States will allocate a million dollars each year for this purpose.

In spite of the efforts of both sides to minimize the scales of the projected American military aid to Pakistan and to make it seem insignificant, the figures speak for themselves. For example, whereas total American military aid to Pakistan over the entire postwar period amounted to 1.5 billion dollars, American credit to Pakistan for the purchase of military equipment will total, as mentioned above, 1.6 billion dollars in just the next 5 years. In addition to purchasing the abovementioned 40 F-16 fighter-bombers from the United States, Pakistan will also buy 4 E-2S Hawkeye reconnaissance planes (actually a scaled-down version of AWACS), several hundred M-48 and M-60 tanks, Cobra helicopters, self-propelled 155-millimeter howitzers, self-propelled 8-inch cannons and combat equipment with night vision devices. In addition to this, the United States has offered Pakistan an ABM system costing around 300 million dollars for deployment along the border with Afghanistan. According to experts, the purchase of these large quantities of offensive weapons will allow Pakistan to create from four to six additional divisions, two or three of which could be armored tank divisions.

In December 1981 the bargain was approved by the U.S. Congress, and in April 1982 the administration requested Congress for funds for the first installment.

At the beginning of the 1980's South Asia became one of the regions of intense U.S. foreign policy activity. This was primarily due to the revolutionary events in Iran and Afghanistan. In an attempt to compensate for these negative changes for the United States, Washington has been trying to turn an old American ally, Pakistan, into a control point for its increasing expansion in the Indian Ocean and Persian Gulf zone.

To justify the intensification of American military presence in the Indian Ocean, the Carter Administration made use of the concept of the "crescent of crisis," which supposedly stretched from one end of the Indian Ocean to the

other and applied primarily to the countries located in the Persian Gulf zone and Southwest Asia. President Reagan's advisers invented a new concept-- "strategic consensus." In accordance with it, the United States will no longer simply ascertain the presence of "instability" and point out the "need" for augmented American presence here. It is announcing its intention to create a zone of "strategic consensus" for confrontation with the Soviet Union, stretching from Israel, Egypt and Turkey in the West, including the oil-rich Arab states of the Persian Gulf, to Pakistan in the East. In this way, Pakistan has been assigned the role of an Eastern outpost, a "border pillar" in the zone of "strategic consensus."

Washington's present strategists want Pakistan to act as a policeman and guardian of U.S. interests. According to their plans, it should become the main channel for fighting the undeclared war against Afghanistan. This was unequivocally stated in a report prepared by the RAND Corporation in 1981 for the Reagan Administration. If Pakistan is given sufficient military and economic aid, its authors stated, this country will be able to "support anti-Soviet rebellion in Afghanistan and defend Western interests in Southwest Asia." Besides this, according to the Pentagon's plans, Pakistan is to serve as a transit base for the American "rapid deployment forces," which can be transferred there quickly from the island of Diego Garcia in the event of a "crisis situation" in Southwest or South Asia.

The more active American-Pakistani relations in the military sphere mean broader contacts between representatives of the armed forces of these countries as well as massive deliveries of American weapons to Pakistan. In the middle of February 1982, for example, Lieutenant General A. Brasuell, chief of the Pacific Air Force Command, went to Pakistan and attended the Pakistani "Jetstream-82" Air Force maneuvers.

Part of the high-level Pentagon spokesman's mission was a general inspection of the state of the Pakistani Air Force in connection with the projected deliveries of American fighter-bombers to Islamabad, six of which were supposed to arrive before the end of 1982. Besides this, the American general negotiated future shipments of American military equipment to Pakistan with his Pakistani colleague, Marshall Mohammad Anwar Shamim, Air Force chief of staff.

In March 1982 Director W. Casey of the CIA went to Islamabad to speak with the head of the country's military administration, Zia-ul-Haq, the chief of intelligence and the top commanders of the Pakistani army. All of Washington's previous guarantees were reaffirmed. In turn, the Pakistani leadership expressed its willingness to continue cooperating in the protection of the "common interests" of the United States and Pakistan in the region.

The Pentagon is also planning the use of Pakistani territory by U.S. naval forces. The port of Gwadar, located in a remote region of Pakistan, where the Gulf of Oman meets the Arabian Sea, is being considered, for example, as a possible base for American ships. According to Pentagon strategists, the Pakistani naval and air force base in Karachi and air force in Peshawar are

just as important for American aircraft and aircraft carrier operations. Addressing the Federal Advisory Council of Pakistan in April of this year, Zia-ul-Haq admitted that the United States had already approached him in 1981 with a proposal on the deployment of American troops in Pakistan and the storage of American weapons in this country for the "rapid deployment forces."

While it has been increasing its military cooperation with Pakistan, Washington has closed its eyes to the repressive nature of the regime and to Pakistan's attempts to develop its own nuclear weapons. This tendency was already apparent in the last year of the Carter Administration and has grown stronger under the present administration. As former Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs C. van Hollen noted, "the policy of nuclear non-proliferation, the attempts to defend human rights and the realistic assessment of the Soviet threat to Pakistan and the Indo-Pakistani balance of power were all sacrificed for the sake of U.S. strategic aims."

Several reports in the American press have said that the activities of all political parties have been prohibited in Pakistan, prominent members of the opposition have been arrested, rigid censorship of the press has been instituted and the passage of a law on basic human rights has been shelved indefinitely. The question of elections has been removed from the agenda altogether. Military leaders have unlimited authority in various spheres of politics. In contrast to all previous military-bureaucratic regimes in Pakistan, the present regime has canceled the right of civil courts to review the decisions of military courts, which are now totally responsible for the maintenance of "internal security." All power is actually concentrated in the headquarters of the chief military administrator and the officers appointed by General Zia-ul-Haq to top positions. Arrests and incarceration without a trial or investigation have become commonplace in Pakistan today.

Another argument cited by the opponents of military aid to Islamabad concerns the numerous cases in which the central Pakistani authorities have seriously violated the rights of ethnic minorities, especially the Pushtun and Baluchi groups. As American experts have pointed out, particularly Ohio State University Professor D. Lampton in a 1982 issue of FOREIGN POLICY and Carnegie Endowment's researcher S. Harrison in the winter 1980/81 issue of INTERNATIONAL SECURITY, in the absence of a political settlement between the regime and the ethnic minorities in Pakistan, American weapons could be used against the minorities, just as they were in 1973-1975. Democratic Senators A. Cranston and J. Glenn and Republican Senators J. Helms and W. Cohen believe that the United States is encouraging Islamabad's nuclear ambition by resuming military aid to Pakistan against its own laws, particularly the "Simington Amendment."

While the U.S. government, U.S. Secretary of Defense C. Weinberger himself, announced in an interview in London's SUNDAY TIMES that Pakistan will not get its own nuclear bomb as long as it remained within the hands of a government friendly to the United States. A special report by the research center of the RAND Corporation admits that U.S. policy on the non-proliferation

of nuclear weapons is still in force, but it "merely" (!) does not apply completely to American-Pakistani "security relations."

Under public pressure at the end of October 1981, the U.S. Senate voted (51 for, 46 against) to cut off aid to Pakistan and India if either of these countries should set off a nuclear device. This amendment was proposed by Senator J. Glenn during the vote on a section of the 1982 bill on foreign assistance which envisaged the resumption of American economic and military aid to Pakistan. The "Glenn amendment" is supposed to demonstrate the U.S. adherence to the policy of nuclear non-proliferation. Nevertheless, the administration was able to attain its main goal: The Senate approved the resumption of aid to Pakistan.

As many observers noted in this connection, Pakistan will first acquire American weapons and then set off its own nuclear bomb. For example, ATLANTIC magazine wrote that Washington's current policy toward Pakistan, conducted on the pretext of "safeguarding its security," essentially signifies "the renunciation of the previous efforts aimed at the non-proliferation" of nuclear weapons. According to another magazine, FOREIGN POLICY, this "increases the danger that military actions involving the use of conventional weapons in South Asia could grow into a nuclear conflict."

In addition to all this, by encouraging Pakistan's militarization, Washington is provoking the further growth of military expenditures, which are already such a heavy burden on the national economy. Military expenditures accounted for an unprecedented share of the state budget of Pakistan in 1980/81--43 percent--and the figure exceeded 50 percent if the cost of maintaining the military bureaucracy and punitive police organs is included. Furthermore, it must be remembered that Islamabad is spending huge sums on its costly nuclear program but is concealing these expenditures in other budget items.

The internal sources of financing for Pakistani military programs have been virtually depleted now that direct taxes in the country have quintupled over the last 3 years. This is the reason for the Pakistani leadership's desire to carry out militarization plans with the assistance of the United States, international financial organizations and some Moslem countries, especially Saudi Arabia. There is no question that this will lead to even greater indebtedness and, consequently, to the further deterioration of the state of the Pakistani economy.

There is one other important aspect of Washington policy with regard to the involvement of Pakistan in its strategic plans. When the White House resumed military aid to the Zia-ul-Haq regime, it announced that "a strong Pakistan can only help to strengthen security on the subcontinent." It would be best to recall the lessons of the recent past. The U.S. attempts to create a "strong Pakistan" in the 1950's and 1960's by giving this country extensive military aid certainly did not help to strengthen the security of the subcontinent. On the contrary, the policy of encouraging the militarization of Pakistan led to an arms race on the subcontinent and ultimately to two military conflicts between India and Pakistan--in 1965 and in 1971. American weapons were used both times by Pakistan against India.

Pakistan's present military preparations also attest eloquently to their purpose. Suffice it to say that whereas the total number of personnel in the Pakistani armed forces is around 450,000, 300,000 of these soldiers, or approximately 70 percent, are deployed along the Indian border. This is also where most of Pakistan's military air fields are located.

It is not surprising that the American plans for Pakistan have aroused serious concern in New Delhi. As Indira Gandhi stressed in a recent U.S. NEWS AND WORLD REPORT interview, "the provision of Pakistan with the latest U.S. weapons brought danger and tension closer to our borders."

Therefore, the present U.S. policy in relations with Pakistan is objectively contributing to the tension in Indo-Pakistani relations, impeding the peaceful settlement of disputes in these relations and destroying the climate of trust in the subcontinent. Furthermore, the obvious imbalance in U.S. relations with India and Pakistan will lead to the further deterioration of American-Indian relations.

Washington is continuing to pursue this line, however, because the broad-scale American military aid to Pakistan is intended, as the FAR EASTERN ECONOMIC REVIEW reported recently, to "reward Pakistan" for its stand on the "Afghan question" and to attach it more firmly to American strategy and tactics in this region by turning it into an outpost of the United States on the eastern flank of the Persian Gulf.

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FAILURE TO RATIFY ERA CRITICIZED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 11, Nov 82
(signed to press 21 Oct 82) pp 66-68

[Article by Ye. N. Yershova: "The Latest Defeat for Democracy"]

[Text] The deadline for the ratification of the 27th Amendment to the Constitution of the United States, declaring equality of rights under the law to all citizens regardless of gender, was 30 June 1982. The amendment was defeated because it was not ratified by the three-fourths of the state legislatures (that is, 38 out of 50) required by law. A country which advertises itself as a standard of democracy refused to acknowledge the equality of more than 51 percent of its population.

The battle for equal rights for women has been going on for more than a decade in the United States. To date, however, women's only constitutional right is the right to vote, which they acquired in 1920.

The 27th Amendment to the Constitution on equal rights for women was introduced in the U.S. Congress in 1923. It was initiated by feminist Alice Paul. After this, however, the amendment was shelved in congressional committees for almost half a century. The "women's liberation" movement which began in the second half of the 1960's demanded the recognition of equality of rights under the law. Women's organizations, headed by the National Organization for Women (NOW), launched a campaign for the adoption of the 27th Amendment. They were joined by civil rights groups, labor unions and other democratic organizations, numbering more than 450 by the beginning of the 1980's.

In 1970 Congresswoman M. Griffiths (Democrat, Michigan) began a struggle for the ERA in Congress. In August of that year it passed the House of Representatives (350 for, 15 against). It took the Senate a year and a half longer to get used to the idea that American citizens of the female gender should be endowed with all of the rights proclaimed in the constitution. Finally, in March 1972 the Senate also passed the amendment, by a vote of 84 against 8.

The amendment then made the rounds of the state legislatures. Women's organizations celebrated their victory in advance. Indeed, 7 states had ratified the amendment within the first 10 days of March. 22 states had ratified it by the end of 1972, and by March 1973, on the first anniversary of its passage

in the Senate, it had won the approval of 30 states. It did not seem that anyone could have prevented its final ratification by the legal deadline in March 1979.

But suddenly the process slowed down: Between April and December 1973 the ERA was not ratified by a single state, in 1974 it was ratified by only three states, in the entire year of 1975 it won the approval of one state, and it was then ratified by another in 1977. The decisive year of 1979 was drawing near and the amendment was still three states short of the number required for ratification. Women's organizations launched a campaign to extend the ratification deadline: They organized demonstrations and rallies, lobbied and showered senators and members of the House of Representatives with letters and petitions. They were able to obtain an extension of the deadline to 30 June 1982.

but even the extra 3 years did not change the situation. What is more, five states--Mississippi, Kentucky, Idaho, Nebraska and South Dakota--rescinded their earlier ratification of the amendment. A judicial dispute arose: Was this kind of rescission against the law? Supporters of the amendment were backed up by the Justice Department's opinion that this was an illegal action. The opponents cited the decision of federal Judge M. Callister that the states had no power to rescind. These judicial battles remained unresolved: By March 1982 the amendment had not won the required support of 38 states.

What influenced the negative position of many state legislatures? There is no simple answer to this question. Only the evolution of the equal rights movement and the democratic movements in the United States in the 1970's can explain the situation.

The increasing activity of rightwing forces affected the fate of the 27th Amendment. In the middle of the 1970's they organized the "Stop-ERA" campaign; it was headed by Phyllis Schlafly, an admirer of Senator B. Goldwater. Participants in this campaign claimed to be defenders of the "family and the home." At the same time, the opponents of the ERA were also afraid of its ratification, they said, would lead to the "legalization of the family and even...the legalization of sexual aberrations and the legalization of separate toilets. This cheap demagoguery turned out to be a failure.

The opponents of the ERA amendment's arguments were not logic, however, but they were effective. In the 1970's, the flaming line of such rightwing organizations as the John Birch Society, the Minuteman Society and Eagle Forum and political conservatives and conservatives. In addition, the amendment was vigorously opposed by the Mormons and Fundamentalist Christians.

The opponents of the ERA amendment were not alone in their efforts. In the 1970's, a large number of people in Washington, D.C., and in other cities across the country organized the amendment were

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presented to Undersecretary of State J. B. Foy, Senator J. J. Pickens, Moral Majority leader J. Falwell and several other rightwing political figures. "What we did to the ERA is what Prime Minister Begin of Israel is doing to the PLO," J. Lofton, the editor of the CONSERVATIVE DIGEST, cynically announced at the reception.

The attitude of Washington administrations had a significant effect on the fate of the 27th Amendment. Although J. Carter advocated its ratification, he did not take any concrete steps to promote it. As for Ronald Reagan, he did not even support it verbally; in 1980, when he was still a candidate for the presidency, he was able to convince the Republican Party to exclude a demand for the ratification of the amendment from the party campaign platform. The same position was taken by many other Republican Party officials, and this was soon reflected in the discussions of the amendment in several state legislatures.

Women's organizations believed that the main culprit in the defeat of the amendment was the "invisible business lobby." It was with good reason that chambers of commerce, the National Association of Manufacturers and other businessmen's associations would not support the 27th Amendment. After all, it is precisely the corporations that are deriving direct--and sizable--benefits from the superexploitation of female labor, as women are paid 40-50 percent less than men for the same work. Insurance companies, which have established lower rates of compensation for women, also have a major interest in the perpetuation of sexual discrimination.

The frank delight with which rightwing forces responded to the defeat of the 27th Amendment testifies that it struck a blow not only at the atomized feminist movement but also at all working women. It also struck a blow at the younger generation: After all, the defeat of the amendment will help the Reagan administration cut allocations for social needs, including aid to poor families and education and vocational training programs for teenagers.

As a result, it is that the number of families in which the only breadwinner is a woman is constantly rising in the United States. At the beginning of the 1980's, these families accounted for more than half of the families living below the official poverty level.

Women's organizations and all supporters of democracy and social progress in the United States have not laid down their arms; they are determined to continue the struggle for equal rights for women and for the constitutional amendment of 1980. Supporters of the ERA organized demonstrations and rallies in many states in 1981 (New York, New Jersey and California).

The women's struggle has been reintroduced in the Congress with all its vigour. The House of Representatives and the members of the House of Representatives are determined to continue the struggle for women's equality with routine, but what happened in the Congress is that the forces opposing women's equality are still strong. The House of Representatives is still in the process of debating the ERA.

The House of Representatives is still in the process of debating the ERA.

Journalist, writer, and public interest leader, "Newman, was the editor of the "New York Times" when they did all of this, and how they feel about what they did," and Newman printed a translation of some chapters from Terkel's latest book, a response to the complex problems facing the United States in the 1980's-- "America in Crisis: Lost and Found."*

an active role in society." A. Schlesinger took the floor several times to insist that no country has the right to claim a "monopoly" on peace and that American writers supposedly have broader opportunities to control their government by virtue of the "exceptionally open" nature of American society. In response to this, Yu. Zisurskiy stressed that it is absolutely wrong to approach the analysis of the United States and Soviet Union by demanding some kind of necessary "symmetry" of sociopolitical objectives. People choose the form of government they want and, what is more, tradition plays a significant role in this process.

As for the "open" nature of life in the United States, there are many examples attesting to the opposite, and it would therefore be apt to recall just a few of the most recent restrictions of civil and creative freedoms. Early this summer Ronald Reagan signed a resolution which would perceptibly narrow the sphere of the "Freedom of Information Act" adopted at the time of the interstate scandal. In particular, it will protect CIA activity against "false criticism." The continuing reactionary offensive was reflected in the introduction of a resolution in a number of states to prohibit the teaching of the theory of evolution (as in 1925, at the time of the "monkey trial"), and in the growing campaign to take some "undesirable" works by American and foreign authors out of school and public libraries.

Undoubtedly, among the speakers at the meeting, A. Schlesinger, who had attended a similar gathering organized by New York intellectuals and read excerpts from G. Orwell's "1984" and "Brave New World" there. Other books being discussed by American reactionary forces were, in particular, Bulgakov's "The White Guard," A. Stepanov's "Grapes of Wrath," N. Hawthorne's "Scarlet Letter" and T. Mann's "Wizard of Oz." This is far from a complete list. As S. Santin said in his speech, "We try not naive enough to regard our model society as the USSR," and it seems that this statement was based on a sober assessment of the present situation.

When the conference began, the Soviet poet, Lyudmila Zhigachyova, who was the chairwoman of all speakers, read a letter from the Soviet Writers' Union. The letter contained an appeal for stronger literary and artistic ties between the writers and their readers, efforts to familiarize readers with the best works written in both countries. All speakers were asked to pay attention to the mutual spiritual enrichment of the peoples of the two countries. A. Santin noted that Russian literature had long been known to Americans as a kind of "cultural property" and, indeed, that his writing techniques and reading habits had been greatly influenced by Russian literature.

The conference was a meeting and literary writers from both countries. It was held in the city of New York, where the Soviet Writers' Union has a large office. The conference was held in the city of New York, where the Soviet Writers' Union has a large office. The conference was held in the city of New York, where the Soviet Writers' Union has a large office.

EFFECTS OF AIRLINE DEREGULATION EXAMINED

Moscow (Soviet): *Ekonomika, Politika, Ideologiya* in Russian No 11, Nov 82
(Signed to press 21 Oct 82) pp 76-85

[Article by V. D. Dmitriyev: "U.S. Economic Policy on Air Transport"; passages rendered in all capital letters printed in boldface in source]

[Text] The exploitation of air transport, particularly on international air-
lines, transcended the bounds of "purely" economic activity long ago. Its
development has been connected more and more closely with the political activi-
ty of states, their interrelations and their foreign and domestic policy.

Air aviation has become something like a helper in the state's international
activity, an important link in the chain of political, economic and cultural
contacts between states and, in many parts of the world, a definite influence
on international relations. This is why the consequences of crisis
phenomena in the West and the policy of the capitalist countries in the area
of air transport have affected the activities of the airlines of socialist
states and have necessitated the institution of measures to neutralize the
adverse effects of the crisis and the negative influence of capitalist
competition.

In the second half of the 1980's the general status of air transport in the
free world has deteriorated, particularly the United States. In 1980
the airlines of the capitalist countries belonging to the IATA incurred
losses of \$1.5 billion. An important branch was expected
to be in a crisis in 1981, but this did not happen in 1981 or in
1982.

The main reasons for the deterioration of air transport in the West are the
sharp increase in the cost of fuel, the growth of losses in aircraft
maintenance, the increase in the cost of airport operations and the
growth of the cost of air traffic control. A very important factor was the
sharp increase in the cost of fuel. In 1980 the cost of fuel for the
IATA airlines increased by 50%. In 1981 it increased by 100%. In 1982
it increased by 150%. The cost of fuel for the airlines of the
United States increased by 100% in 1980, by 150% in 1981 and by 200% in
1982. The cost of fuel for the airlines of the Soviet Union increased by
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industry? What are the economic aims and implications of this new policy? This article is an attempt to answer these questions. Their investigation is also important because U.S. airlines are the leaders in the capitalist world. They account for around 40 percent of all world air shipments, and U.S. aircraft firms control almost 90 percent of the capitalist aviation equipment market.

1

The intensification of problems connected with the cyclical development of the economy, slower growth rates, the energy, currency and other structural crises, galloping inflation, the complication of inter-imperialist relations and several other economic and political factors had a direct effect on the development of U.S. civil aviation and on related branches of the economy (aircraft industry, tourist industry, etc.) in the 1970's. These phenomena laid at the basis of the negative results of the economic and financial activities of American air transport companies. In the 1970's the average annual increase in their passenger traffic volume⁴ (7.3 percent) exceeded the rate of GDP growth, but it was much lower than the already reduced rate of increase in traffic in the capitalist world as a whole⁵ (see Table 1). Under those conditions, the U.S. share of total air traffic in the capitalist world fell from one-half in 1970 almost to one-third in 1980 (see Table 2) and has displayed a clear tendency toward a further decrease.

The profits of their companies fell considerably. In 1975 their losses totaled \$1 billion dollars. The financing of expenditures on the acquisition of new planes became a difficult problem. The higher cost of new planes has complicated this problem even more. Whereas in 1965 U.S. air companies spent a total of 600 million dollars on new vehicles, the figure was only 230 million in 1975 and subsequent purchases were even smaller. Furthermore, due to the fuel and energy crisis of 1974-1975, the majority of small American airlines had to stop buying new planes altogether.

The negative effect on the situation in one of the most important branches of U.S. industry, namely the aircraft industry, which employs over a million workers, is the main supplier of aviation equipment for the world market and for most other capitalist and developing countries.

There are several unfavorable patterns of demand for new aviation equipment in the 1970's: an excessively rising price of fuel, which raises operational costs; a sharp drop in the use of wide-body planes, despite their high level of fuel efficiency; the intensification of competition on heavily traveled routes, dominated by wide-body planes; the reduction of traffic on short routes (see Table 2); the protectionist measures taken by the governments of certain Western countries and developing countries to restrict the operations of international air carriers and develop their own aircraft industries. These measures include stricter tariff and charter flight regulations, a reduction in the liability of the shares of foreign airlines; the creation of a new system of international air transport and aircraft

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Table 1

Data on Traffic on Regular (Domestic and International) Air Routes*

Year	Passengers flown, millions		Passenger traffic, billions of passenger-km.		Freight flown, billions of ton-km.	
	world	U.S.	world	U.S.	world	U.S.
1972	450	191.3	560	245.2	15.0	6.1
1973	489	202.2	618	260.5	17.5	6.9
1974	515	207.4	656	262.1	19.0	7.1
1975	534	205.0	697	261.9	19.4	6.9
1976	576	223.3	764	287.9	21.5	7.4
1977	610	240.3	818	310.8	23.6	7.8
1978	679	274.7	936	364.8	25.9	8.4
1979	738	316.8	1,051	421.5	27.9	8.6
1980	784	296.7	1,071	408.9	29.1	8.2
1981	749	281.9	1,071	388.5	30.3	7.8
1982**	786	290.3	1,125	400.1	31.8	8.1

* According to ICAO data.

** Estimated.

AIR TRANSPORT WORLD, vol 19, No 1, 1982, pp 25-26.

Table 2

Regional Distribution of Passenger Traffic on Regular Routes*

Year	Worldwide	North America	Europe	Asia & Pacific	Latin America & Caribbean	Middle East	Africa
1970	100	20.1	15.8	7.8	3.8	1.5	1.9
1971	100	20.2	16.2	9.8	4.0	1.9	2.0
1972	100	20.3	16.3	12.9	4.8	2.7	2.5
1973	100	20.4	16.6	14.3	5.2	3.0	2.5
1974	100	20.6	16.0	15.5	5.5	2.8	2.6
1975	100	21.3	16.2	17.1	6.1	3.4	3.8
1976	100	22.4	16.9	18.0	6.7	4.0	3.8
1977	100	21.2	18.0	18.6	6.4	5.3	4.5
1978	100	22.0	18.7	21.4	6.8	5.6	4.1
1979	100	22.0	18.8	23.5	6.9	4.9	4.1

* Data for 1970-1979 from the ICAO Council for 1979. "ICAO Document 9283," Montreal, 1981, p. 9.
* Data for 1980-1982 from "ICAO Document 9283," Montreal, 1981, p. 9.

...it should be noted in connection with the growth of foreign competi-
tion as a factor with an adverse effect on the financial and economic position
of U.S. air transport companies. In the 1970's the A-300, an aerobus of West
European manufacture (FRG, France, Holland, Spain, England and Belgium)
entered the international aviation equipment market and began to affect pas-
senger traffic patterns. Its development and production and its much higher
technical and operational data, meeting the requirements of today's market,
motivated many air transport companies in various countries which had always
bought American equipment to start using the A-300 planes. This created an
absolutely new situation in the market. Even some leading American air
transport companies decided to buy foreign aviation equipment. The first was
Eastern Airlines, which ordered 39 of the aerobuses. In turn, Western
European companies made a more vigorous effort to develop new air traffic
markets, relying on the strength of their developing aviation industry, and
started crowding out American carriers, or at least complicating their activi-
ty and giving them serious competition even in traditionally American markets.
Obviously, this situation did not please the United States and it had a
significant effect on government policymaking in this area.

During the 1974-1975 crisis, U.S. air transport companies had taken several
measures to improve their economic indicators by cutting costs. When these
traditional measures were taken, however, the management of these companies
announced that the stable development of the branch would be impossible to
guarantee under the conditions of strict government regulation, particularly
matters pertaining to the commercial activity of the firms.

In contrast to the aircraft industry, commercial air transport in the United
States was regulated at different levels by various government agencies--the
Civil Aeronautics Board (CAB), the Department of Transportation and one of
its agencies, the Federal Aviation Administration, the Department of Justice
and the State Department (in the case of international air communications).
The rights and obligations of the companies were regulated by the Federal
Aviation Act of 1958 and later additions to this law.

The CAB regulated almost all of the operations of civil aviation. For example,
it was in complete control of the commercial activity of companies. It
exercised this regulation by authorizing companies to use specific routes.
It then limited the number of air carriers on the route. Companies had to
obtain its approval when they set rates. Besides this, the CAB had jurisdic-
tion over the schedules of passenger and freight traffic and the
equipment of airlines for commercial and technical services, the regulation
of winter flight programs and the choice of the airports from which American
and foreign air carriers could make international flights.

In order to provide airlines, the CAB set excessively strict requirements
on the financial and economic position of airlines, made unsound decisions on operational
matters and distributed other restrictive practices, particularly in
regards to the distribution of markets among various airlines and
the determination of fares, ticket rates, etc. As a result, the CAB
acted as a major factor during the economic crisis of 1972-1973, disrupting the
normal operation of the U.S. transportation system, in the national economy.

In September of the same year, then President G. Ford made an announcement with regard to the new aviation policy, trying to substantiate the need for its implementation on a broader scale and to protect the rights of American airlines to free competition throughout the international air transport market. In particular, he said: "Historically, the United States has been the leader in the development of international air transport and it intends to retain this status. The United States also wants the structure of air transport to allow for the competition of all airlines in a healthy atmosphere.... The main principle of our economic philosophy is that market competition ensures development and, if used correctly, gives the carrier an opportunity to earn profits by reducing overall costs.... The regulating activity of the government should be aimed at the heightened flexibility of air transport and should aid in the maintenance of low costs." In conclusion, G. Ford noted that the principles of the policy of "deregulation" should be used by government employees as a political guide in matters of international civil aviation.¹¹

When the American government made the transition to the new policy, it expected it to become a more effective way of revitalizing the industry and sparing the government the need to subsidize it. Another aim of the policy of "deregulation" is also quite obvious--it was to encourage concentration and centralization in air transport and the absorption of small airlines incapable of competing with large ones. This is corroborated by the adoption of several administration decisions aimed at lifting judicial and other restrictions, giving airlines more independence in commercial decision-making and increasing their financial strength. The enforcement of antitrust legislation was relaxed in matters concerning airlines, and this allowed several of the largest to merge and thereby unite their resources for the exploitation of the air traffic network.

At first, the policy of "deregulation" introduced certain positive elements into the system of air transport--a more efficient network of routes, the better use of planes, the institution of new progressive services, the reduction of unproductive expenditures and some others. These elements could also be used in the organization of air transport in the socialist countries.

The abolition of restrictions on the frequency of flights, the varying number of airlines and rates led to a situation in which the number of air carriers offering relatively low rates increased on all economically profitable routes. In turn, competitive prices brought air transport new categories of passengers who had never been able to make use of its services on the basis of high rates. This essentially created a new market--"the market of unutilized low charter rates"--which took a prominent place in airline competition.

By 1980, the economic results of the transition to free carriers in 1975, which were relatively promising. There was a record profit level, transport losses were considerably less, the proportion accounted for by operating expenses was lower than in 1975. Besides this, in 1975, the world airline fleet (number of passenger seats) was 10,000,000 and the total flight distance increased by 100,000,000 km.

...increased by 17.8 percent. Furthermore, 75 percent of the entire increase in this volume was due to the reduction of passenger rates. Whereas airline income from passenger traffic was already equivalent to an average of 82.9 percent of total operational costs in 1974-1977, in 1978 the figure was 84.3 percent.

Also, the increased aviation equipment orders and purchases, expanded production and increased employment in the U.S. aviation industry. In 1978, for example, aircraft building firms and air transport companies sold 37 billion dollars' worth of equipment, or almost 23 percent more than in 1977, and the sales figure in 1979 was 45 billion. Sales of wide-body planes like the Boeing-747 and the DC-10 increased substantially. In 1978 the number of employees in the aviation industry exceeded 1 million for the first time after a long slump.

Besides this, under the conditions of the policy of "deregulation," in the absence of strict regulation of firm operations by government agencies and the consequent independence of firms in commercial decisionmaking, they found new opportunities to implement marketing principles--that is, to coordinate research, development, production and sales with current and expected market demand.

Thus, the new policy confirmed the correspondence of the new policy to the needs of the industry. It strengthened the position of its initiators and weakened the position of its opponents to some degree. What is more, the initial results created a more favorable atmosphere within ruling circles for the implementation of the "deregulation" of domestic air transport and the opening of new international routes.

Consequently, after the passage of the Airline Deregulation Act of 1978 and the Airline Reform Act of 1979, a year later the International Air Transport Association (IATA) proposed a new policy. Most of these laws signified the implementation of the principles of the "deregulation" of the domestic and international routes and the opening of new international routes and the opening of new international routes and the opening of new international routes.

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patterns were reviewed. There were substantial cuts in the number of personnel serving passengers on board the planes and in expenditures on passenger meals.

The abrupt decrease in the number of flights to small and medium-sized cities became a serious problem, and this aroused the dissatisfaction of businessmen who paid the full fare (without discounts). When national and regional airlines refused to make these flights due to the low profitability of these short-distance runs, these cities began to be served by commuter airlines which use small planes, previously unknown to passengers taking business trips, and do not have enough experience in the organization of mass passenger transport. This is why more time is spent in the use of air transport in connection with the need for additional stop-overs and longer pre- and post-flight maintenance. Businessmen have also noted the low level of comfort on all of these airlines and the less convenient baggage claim, boarding and landing procedures and passenger transport to and from the airport. There are more frequent cases of the loss or theft of the personal property of passengers, and this is directly connected with the personnel cuts due to financial problems.

The CAB admitted that it could not solve all of these problems in the service provided to small cities. A resolution adopted at a conference of the American Association of Airport Executives in 1979 described the CAB policy of "deregulation" as an irresponsible step with respect to the needs of small and medium-sized cities. The conference proposed a number of additions to the deregulation act of 1978, stipulating, in particular, that airlines should be obligated to issue advance notification of their decision to stop serving a particular city so that the authorities will have enough time to replace the old company with a new one. The association also demanded that not 1 of the 12 largest airports lose federal funding until the Congress had secured new sources of financing. None of these proposals have been adopted to date, however.

Under the conditions of "deregulation," competition became virtually unrestricted, intensifying capitalism's characteristic anarchy and lack of planning in economic management, and all of this has also affected air transport. We can cite a specific example to illustrate the kind of paradoxes to which this situation can lead. The transcontinental American routes between New York and San Francisco and New York and Los Angeles turned into an arena of fierce competition among airlines. Traditionally, three companies had worked here--American Airlines, Trans World Airlines and United Airlines. As a result of "deregulation" the number of companies serving these routes rose sharply, and they reduced their fares so much that flights between these cities were cheaper than flights between for example, Boston and Washington, although there is a much shorter distance between them. During the summer around 10,000 seats were available each day on each of these routes and the planes were filled to almost 100-percent capacity because passengers took advantage of the situation in the market and chose to take their vacations in California. Passenger traffic from New York to Boston, Hartford, Philadelphia and Baltimore decreased.

American economists believe that the low fares offered by competing companies have reduced average revenues per flight mile so much (for example, 3.5 cents a mile if the fare from New York to Los Angeles is 99 dollars) that the attainment of enough profits for businessmen through the attraction of new passengers is impossible. Furthermore, the inclusion of more and more new companies in the competitive struggle (Eastern, for example), offering low fares, redistributes the traffic volume among companies and leads to a further decline in profits.

The aviation business is naturally taking all possible steps to change this situation and, above all, to achieve a real rise in profits. For this purpose, large companies are making constant adjustments in the administration and organization of air services in this atmosphere of "free competition," using the results of efficiency analysis of each route and each type of plane. To stop the reduction of fares and create possibilities for their future rise, measures have already been taken to eliminate many discounts on several routes. Besides this, airlines are merging in an attempt to create powerful monopolistic associations which will be able to compete in the market. In connection with this, the CAB authorization of the merger of several airlines in 1980-1982, which reduced the number of major firms from 12 to 7, was quite significant.

As yet, however, flight costs (company expenditures per 1 seat/mile) are rising quickly, while revenues per passenger-mile have displayed a clear tendency toward decline. According to American experts, even the stabilization of average fares at the present level will not be enough to prevent losses and change the present unfavorable profit structure. They believe that operational losses will be unavoidable in air transport until fares are synchronized with overhead costs. Under these conditions, the improvement of economic, financial and operational indicators will only be possible after the institution of better administrative methods, the limitation of traffic, the reduction of costs, the optimization of airline routes, the enhancement of the productivity of planes and, most importantly, a rise in fares to compensate for the rising price of aircraft fuel. According to several American economists, the correction of the situation will require at least a partial return to the regulation of airline operations, especially their carrying capacity and fares.

The American initiators of the policy of "deregulation" encountered even greater difficulties when they tried to institute it on a broad scale on international routes. Despite the rigid measures Washington took to exert political and economic pressure on the governments of other countries in order to gain their support for the policy of "deregulation," the majority of countries in the world opposed this policy. Even England, the United States' main partner and ally, resolutely rejected the policy and refused to conclude a new "liberal" agreement with the United States on air transport in 1979.¹⁶

When the American Administration was working on the new policy in the sphere of air transport in the middle of the 1970's, it expected "deregulation" to produce relatively quick results, strengthen the position of U.S.

air transportation and help, over the longer range, to combat inflation and support the economy. Subsequent events showed, however, that this policy had not only failed to meet Washington's expectations but had also led to the serious deterioration of the financial status of airlines on domestic and international routes.

IV

It was in this atmosphere that the first signs of the departure from the policy of "deregulation" by the administration and U.S. Government agencies were witnessed in 1981 and 1982. For example, at the beginning of 1981 the CAB announced a new and more flexible--in its opinion--rate policy, in accordance with which unlimited rate increases were authorized on flights up to 200 miles, while fares for flights from 200 to 400 miles could be raised up to 50 percent and the fares for flights exceeding 400 miles could be raised by up to 30 percent. This decision was pointedly criticized in the Congress, nowever, because it contradicted existing legislation. As for the airlines, they greeted the news of the new rate policy with great suspicion because the base rates¹⁷ had already been raised by the maximum amount authorized by the CAB in connection with the rising price of aircraft fuel (this new and higher level is still in effect). The process of curtailing CAB functions slowed down, particularly in the area of regulations pertaining to rates, passenger services and the collection and processing of statistical data.

When Ronald Reagan took office in 1981, he called himself a supporter of the policy of "deregulation." As soon as the airlines turned to the administration for financial assistance when they encountered economic difficulties in 1981, however, the President, who was making sharp cuts in social spending, announced that he had no intention of paying any more state subsidies to the airlines and that he would ask the Congress in 1982 to repeal the section of the Federal Aviation Act of 1958 envisaging these subsidies.¹⁶ At the same time the administration, which continued to support the policy of "deregulation" verbally, began a search for new ways of updating it but retaining the maximum number of provisions corresponding to the general economic ideology of the most influential segments of the ruling class. This search was supposed to strengthen the shaky foundations of American airlines without resorting to government funding but also without curtailing government regulation of their commercial activity. This, according to the current administration, should be the economic essence of the ideal U.S. aviation policy. Clearly, it would differ little in the economic sense from the policy instituted in the middle of the 1970's by the Ford Administration.

Therefore, the policy of the "deregulation" of U.S. civil aviation did not and could not solve the difficult problems facing air transport--an integral part of the capitalist economy. State-monopoly regulation, just as the "deregulation" of activities in certain branches, which does not signify the total curtailment of state intervention in the economy, cannot protect these branches against the organic defects of capitalism even if they might produce positive results during specific stages in the development of these branches.

It is significant that the brief period during which the policy of "deregulation" has been pursued, as well as the fact that this period has coincided with the latest economic recession in the United States and other capitalist countries, does not allow for the final assessment of the economic results of U.S. air transport activity under these new conditions as yet. We cannot say precisely which of these results are due to "deregulation" and which are due to the economic crisis. The final assessment of this complex socioeconomic phenomenon will require further in-depth study based on the generalization of new statistics over a longer period of time.

FOOTNOTES

1. The members of the International Air Transport Association are 106 air transport companies from 96 countries. Its members from socialist states are airlines in Poland, Czechoslovakia, Cuba and Yugoslavia.
2. AVIATION WEEK AND SPACE TECHNOLOGY, 19 January 1981, p 43.
3. WORLD BUSINESS WEEKLY, 22 September 1980, p 30.
4. An indicator calculated as the product of the number of passengers flown and the total flight distance.
5. INTERAVIA AIR LETTERS, No 9787, 1981.
6. J. George, "Financial Issues and Outlook. The U.S. Viewpoint"--"International Air Transport Conference Proceedings," Washington, 1977, p 39.
7. Charter flights are not made according to a regular schedule, but only when necessary.
8. L. Henry, "Management Holds Key to Productivity Gains," AIR TRANSPORT WORLD, No 12, 1978, p 48.
9. INTERAVIA AIR LETTERS, No 8303, 1975.
10. "CAB Wants To Try Deregulation," FLIGHT INTERNATIONAL, Vol 108, No 3462, 1975.
11. "International Air Transportation Policy of the United States," September 1976.
12. M. Stanley, "Deregulation: A Fact of Life for Today's Airlines," AIR TRANSPORT WORLD, No 5, 1979, p 27.
13. According to the abovementioned law, commuter airlines (from the word "commute"--to make regular trips) travel routes of around 175 kilometers, using planes with accommodations for no more than 60 passengers or no more than 8.2 tons of freight. Commuter services developed under the conditions of the energy crisis and "deregulation," which established

the prerequisites for a considerable increase in the traffic volume of these planes along local air routes because they are more economical than major airline transport. There are now around 300 small airlines in the United States, serving more than 2,000 populated points.

14. AIR TRANSPORT WORLD, Vol 19, No 1, 1982, pp 25-26.
15. AIRLINE EXECUTIVE, June 1981, p 16.
16. The international aspects of U.S. policy on air transport were described in detail in the economic survey by V. G. Afanas'yev, published in issue No 7, 1981--Editor's note.
17. Airline fares as of 1 October 1979 were taken as the base rate for subsequent increases connected with the rising cost of fuel.
18. AIRLINE EXECUTIVE, March 1981, p 28.

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administration--is distinguished by three main characteristics. The first is the reduction of the growth rate of total federal budget revenues and expenditures. Whereas budget revenues in fiscal year 1982 were equivalent, according to preliminary data, to 2.3 percent of the GNP, the figure will drop to 19.4 percent in 1983, to 19.1 percent in 1984, and only 18.7 percent in 1987.⁴ The proportion accounted for by each of the three main sources of federal income are changing drastically: Personal income tax revenues will increase to 48.1 percent, while corporate taxes, which accounted for 15.4 percent in fiscal year 1977, dropped to 7.5 percent in 1982 as a result of Reagan's tax reform. The proportion accounted for by special taxes for social insurance, collected separately from other types of taxes, is steadily growing: It will rise from 33 percent in fiscal year 1982 to 35.6 percent in 1987.⁵

Besides this, Ronald Reagan is planning a constant gap between federal budget expenditures and revenues: In fiscal 1982 the proportion accounted for by expenditures in the GNP will exceed the proportion accounted for by income by 3.2 percent, in 1983 the figure will be 2.3 percent, and in 1985 it will be 1.8 percent. In monetary terms, this gap, which actually constitutes the budget deficit, will be equivalent to 98.5 billion dollars in fiscal 1982, 91.5 billion in 1983 and 82.9 billion in 1984.

The maintenance of these huge budget deficits (despite Reagan's promise at the beginning of 1981 to balance the federal budget by 1984) is the second of the main characteristics of the Republican administration's budget policy.

Finally, the third distinctive feature of Reagan's budget policy is the sharp rise in the growth rate of military spending, which will account for 25.8 percent of all federal expenditures in fiscal year 1982, 29.2 percent in 1983 and 37.2 percent in 1987.⁶

Many American economists, including Galbraith, believe that the deficit has been deliberately understated in the official draft of the Reagan budget. According to the data of the Congressional Budget Office, the deficit will reach 157 billion dollars in fiscal 1983 and will increase to 208 billion in 1985. Economists in the TIME magazine editorial offices have projected figures of 125 billion and 150 billion for the same years.

As a result of Reagan's deficit financing, federal budget expenditures will exceed revenues by 344.5 billion dollars just during fiscal years 1982-1985, and the U.S. public debt will increase by approximately the same amount during this period. This will raise the amount of interest paid out of the budget. This item will amount to 83 billion dollars in fiscal 1982, or 11.4 percent of all budget expenditures, and 100.8 billion, or 11.6 percent, in fiscal 1985. But this is only one of the negative effects of deficit financing and, according to Galbraith, is far from the most dangerous one. "The problem engendered by the deficit is much deeper and is not merely a matter of spending more money than is received. This problem consists in the resulting restrictions and contradictions in other areas of economic policy."⁷

In particular, Galbraith writes, two of the three possible ways of countering strong inflationary tendencies--direct wage and price controls and budgetary

restrictions on the rate of inflation--are incompatible with the administration's economic policy. This means that monetary policy is the only alternative. Monetary measures, Galbraith stresses, have a restraining effect on inflation through high interest rates, which make credit virtually unavailable to potential borrowers. Limited loans reduce expenditures on fixed capital and consumer goods and lead to economic recession and, if not lower prices, at least a lower rate of inflation. And this has been the effect of monetary policy in recent months. "The recession we are now experiencing was not accidental," Galbraith emphasizes. "It was the projected result of our present policy against inflation, for it is through a recession such as the present one that monetary policy works."⁸ This is another of the contradictions in Reagan's budget program.

The social implications of restrictive monetary measures, Galbraith writes, have taken the form of high unemployment and the restraining effect of this unemployment on wages.

There are three other important consequences of the Reagan Administration's budget policy. First of all, high interest rates preclude loans for new capital investments and thereby have an adverse effect on productivity. Secondly, monetary restraints combined with deficit financing have a profoundly negative effect on international finances, forcing other countries to raise their interest rates in order to prevent capital outflows from these countries to the United States. "This is how we are exporting our economic policy," Galbraith says, "including the related unemployment and economic recession, to our friends abroad."⁹

Finally and thirdly, the projected deficits and monetary restraints make any talk about supply-side economics meaningless. This concept has always been dubious in itself, Galbraith says, but monetary restraints are making it impracticable.

What are the possible remedies? Galbraith resolutely opposes the cuts in social and other non-military programs. He believes that cuts in military programs should be the present objective. Factors contributing to the growth of defense spending, Galbraith stresses, often have nothing in common with defense. Military spending increases under the influence of bureaucratic interests, competition among various branches of the armed forces, the excessive technical complexity of new weapon systems and the influence of military-industrial firms, which no one can deny. The anti-Soviet feelings which are being kindled in the United States also play an important role.

But will military expenditures at their present and projected levels add to U.S. national strength? During the 1970's the United States spent around a trillion dollars on military projects (in constant 1976 prices). "If an appreciable part of this spending had gone into the improvement of our industrial base--as it would have if it had not been requisitioned by the government (to pay military bills--A. D.)--no one can doubt that the American economy would be stronger today. And stronger economic positions, in turn, would have resulted in the economic leadership and political prestige enjoyed by the United States in the first years after World War II. It was economic, and not political, strength," Galbraith stresses, "on which the U.S. position in the world depended at that time."¹⁰

Galbraith blames the high U.S. military expenditures directly for the diminished competitive potential of U.S. goods, particularly in comparison to goods from the FRG and Japan. These two countries are using their capital to replace obsolete equipment in civilian industries and to build new and improved enterprises while the United States is spending a much larger portion of its funds on unproductive military projects. Whereas the United States used from 5 to 8 percent of its GNP for military purposes during the 1970's, the corresponding share of the GNP was 3-4 percent in the FRG and less than 1 percent in Japan. Per capita military spending in 1977 was equivalent to 441 dollars in the United States, 252 dollars in the FRG and only 47 dollars in Japan. This allowed the FRG and Japan to invest more in civilian fixed capital (with the exception of housing construction): The share of the GNP spent for these purposes in the 1970's was 16.9-19 percent in the United States, 20.6-26.7 percent in the FRG and 31-36.6 percent in Japan.

This is why, in Galbraith's opinion, it will first be essential to freeze the military budget on approximately its present level and then make a serious effort to reduce military spending and to conclude arms control agreements.

But cuts in the military budget will only eliminate part of the projected deficit. This is why, Galbraith says, taxes must be raised, because "higher taxes are far better for the economy than higher interest rates. Investments, productivity and economic growth are consistent, or can be consistent, with higher taxes. But they are inconsistent with the higher interest rates"¹¹ which are the only alternative to higher taxes under present conditions. For this reason, the corporate tax concessions should be promptly repealed, but the most important thing, according to Galbraith, is to defer the tax cuts scheduled by Reagan.¹²

Not all American economists would agree with this dramatic assessment of the Reagan Administration's budget policy. However, as Galbraith correctly points out, most of them have criticized the deficit financing scheduled by the Republicans for many years to come, seeing this as one of the main causes of economic problems. And what is particularly indicative, more and more researchers, politicians and public spokesmen in the United States are realizing the need for cuts in military spending. Without these, they stress, it will be impossible to return to inflation-free economic growth and overcome other economic problems. The first reports of the final indicators of fiscal year 1982, revealing a federal budget deficit of 100 billion dollars, confirm the accuracy of J. Galbraith's predictions.

FOOTNOTES

1. "The Budget and the Bust," John Kenneth Galbraith, THE NEW REPUBLIC, 17 March 1982, pp 9-13.
2. Ibid., p 2.
3. For more about the budget, see issue No 2, 1982.

4. "The Budget of the United States Government. FY 1983," pp 9-60, 9-61, 3-32, 3-34.
5. Ibid., pp 3-32, 9-48, 9-49.
6. Ibid., pp 9-60, 9-61, 3-32, 3-34.
7. THE NEW REPUBLIC, p 9.
8. Ibid., p 10.
9. Ibid.
10. Ibid., p 12.
11. Ibid.
12. In August 1982 President Reagan departed from the fundamentals of his official economic policy and had to announce a rise of almost 100 billion dollars in projected taxes for the next three fiscal years--Editor's note.

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BANGLADESH, SOUTH ASIA AND U.S. POLICY

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(signed to press 21 Oct 82) pp 114-115

[Review by I. V. Khalevinskiy of book "Bangladesh, Yuzhnaya Aziya i politika SShA" by N. S. Beglova, Moscow, Nauka, 1982, 200 pages]

[Text] N. S. Beglova's book is an interesting study of a complex period in South Asia's history. On the basis of documented information and an analysis of numerous sources, she reveals the basic objectives of American foreign policy strategy in South Asia and describes the methods used by American imperialism for the attainment of its goals in this region. The author attempts to trace the direct connection between U.S. policy in South Asia and U.S. global strategy.

The author's comprehensive analysis of U.S. relations with the People's Republic of Bangladesh in close conjunction with the general tendencies of U.S. policy in this region is of particular interest. She has successfully performed one of the central tasks of her study by investigating the origins of U.S.-Bangladesh relations. She examines the place Bangladesh occupies in the system of American priorities in South Asia and the role it plays as a factor in inter-Asian relations.

The author relates the development of Washington's strategy in South Asia at the beginning of the 1970's to the reassessment of American policy in Asia at the end of the war in Indochina. American policy in South Asia in the 1970's was based on the desire to augment the American military presence in the Indian Ocean, escalate tension in South Asia and revitalize U.S. military cooperation with Pakistan. Washington's growing interest in coordinated action with Beijing is noted in the book. Here the author correctly points out the dramatic increase of aggression in U.S. foreign policy strategy as a whole under the Reagan Administration and the dramatic increase of the influence of individuals in U.S. power echelons who advocate politics from a position of strength in this region (p 132).

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HIGHER EDUCATION IN THE UNITED STATES

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(signed to press 21 Oct 82) p 115

[Review by Ye. I. Popova of book "Vysshaya shkola SShA" by L. D. Filippova, Moscow, Nauka, 1981, 328 pages]

[Text] After examining the structure of U.S. higher education and the organization of the academic process, the author singles out the three main changes that took place in this field in the 1950's, 1960's and 1970's under the influence of the technological revolution and the student demonstrations: the organization of higher academic institutions as a multileveled system with a clearly defined top level--research universities--representing the main location of scientific development in the country (p 199); changes in forms and methods of instruction--a shift in emphasis from lectures and seminars to independent studies, a broader choice of lecture courses and the extensive use of the latest technical media, particularly computers, with terminals installed not only in laboratories and classrooms, but also in dormitories, etc.; the establishment of a system of advanced training, which has become, to a certain extent, an integral part of the university education and which is aimed at maintaining the competence of specialists.

As the author shows, however, all of these achievements have affected a small group of the best universities and colleges, while the level of instruction has remained low in the rest, and even scandalously low in ghetto neighborhoods. The class nature of the American educational system is particularly reflected in the sharp differences between community colleges and prestigious institutions, the high cost of education and the fact that a college degree does not always guarantee the individual a higher rung on the social ladder.

The author describes the crisis suffered by the educational system in the 1970's: the depreciation of degrees, the inflation of grades, the lack of order and organization in specialist training and unemployment among individuals with a higher education (pp 297-298).

The author says almost nothing about liberal arts education in the United States and concentrates on the training of specialists in the natural sciences and engineering (p 213). The book does not even include a chapter on historiography, although an analysis of the extensive literature on education in the United States, including studies using mathematical methods, would be of great interest. An overabundance of figures complicates the text excessively and all of the facts cited do not always fit into the narrative.

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SOCIAL UTOPIA AND THE UTOPIAN MENTALITY IN THE UNITED STATES

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(signed to press 21 Oct 82) pp 115-116

[Review by I. Ye. Zadorozhnyuk of book "Sotsial'naya utopiya i utopicheskoye soznaniye v SShA" by E. Ya. Batalov, Moscow, Nauka, 1982, 236 pages]

[Text] It is a difficult task to define the term "utopia" fully and unequivocally, particularly within the context of the history of American social thought. Backing up his arguments with abundant historical material and focusing on current events in American spiritual life, E. Ya. Batalov analyzes the functions and forms of the social utopia as a specific type of consciousness and an organic part of the American public mind. The book contains a discerning examination of the history of ideas and the means of their implementation and an analysis of the utopia as an element of political culture. The author describes the conflict between the official and "conventional" utopia (brought to life by U.S. presidents, particularly J. Kennedy, L. Johnson, J. Carter and R. Reagan) and the popular utopia (the ideas of which were most vividly expressed by Martin Luther King, who dreamed of an America with equal opportunities for all).

The utopian mentality, the author notes, can "ebb" and be reborn (p 25). In this sense, it is an important indicator of the sociopolitical state of society and of possibilities for change.

At the very beginning of the new state's history and, to an even greater degree, in the 1820's, 1830's and 1840's, the utopia was a major spiritual influence on the minds of Americans and took the form of the national romantic utopia and the utopia of America as a farming community. They were reinforced by the "frontier myth" about the mobile boundary of colonized lands and the "frontier of unlimited opportunities." In the 19th century it constantly moved westward, but for many immigrants (including the periodically arriving groups of socialist utopians) the Atlantic Coast was this frontier.

The author then singles out the second (the last quarter of the 19th century), third (1920's and 1930's) and fourth (1960's and 1970's) phases in the development of the utopian mentality. In spite of all their differences, from the individualistic "farmer" models to the technocratic utopias, they have, according to the author, the following features in common: Americanocentrism, a tendency toward egalitarian ideals, emphasis on the use of legitimate political mechanisms and, finally, practical aims, or "practical idealism" (p 72).

The analysis of the contradictions of the current utopian mentality and of the rise and fall of the communal movements of the 1960's and 1970's is particularly important. The inhumane aspects of the technocratic utopia, the futility of the "utopia of traditional America" and the romantic utopia, the confusion in the search for an escape to numerous crises within the framework of the democratic utopia (within this context, the criticism of the model of the "new society" by liberal futurologist E. Toffler in his book "The Third Wave," published in 1980,* is most interesting) and, finally, the limitations of the socialist utopia, which asserts that the centuries-old (at least two) foundations of the bourgeois society in America are being destroyed but does not take any real social, economic or political structure in a socialist country as a guideline, are becoming increasingly apparent. This is the reason for the rising number of negative utopias and antiutopias regularly "invented" by futurologists, writers of science fiction, journalists and famous novelists.

The reality of political and spiritual life in today's America does not foster the development of the utopian mentality, particularly within the framework of the official utopia. Although it "strictly defines the rules of the game, which must be observed by the President and which constitute an integral element of the American political culture" (p 307), the "New Beginning" proclaimed by Ronald Reagan sounds much less encouraging to the mass mentality than J. Kennedy's "New Frontier" and L. Johnson's "Great Society."

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COMPOSITION OF UPPER ECHELON OF REAGAN ADMINISTRATION

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(signed to press 21 Oct 82) pp 117-127

[Article by Yu. K. Abramov and A. A. Kokoshin]

[Text] This article is an attempt to investigate the personnel composition of the upper echelon of Ronald Reagan's Republican administration from primarily two vantage points: firstly, from the standpoint of the representation of various regional segments of monopolistic capital in this administration and, secondly, from the standpoint of the members' political and business careers.

The following categories of administration members were chosen as the object of analysis: the top members of the White House staff (the President's assistants and advisers)¹ and heads of executive agencies,² the heads of the main departments and agencies and their deputies,³ and the U.S. ambassadors to the countries and international organizations of the greatest importance from the standpoint of American interests.⁴

In all, the political biographies and social connections of 94 members of the administration are examined in this article. Most of them were appointed before fall 1981. The composition of the administration reflects, in our opinion, the balance of power among various segments of the U.S. ruling elite at the time of the 1980 election. Some of the changes that have been made in this group since fall 1981 are discussed in this article. However, a detailed assessment of the results of changes in the upper echelon of the administration is only valid after the administration has been in office for around 2 years. It takes this long, as an analysis of other postwar American administrations indicates, for the President to make the necessary changes in the upper echelon to adapt to the changes that have taken place since the election that put him in office.

When the authors collected data on various members of the present administration who belong to the group in question, they used the hearings on their appointments in the appropriate Senate committees, the reference book "Who's Who in America," articles from leading American newspapers and magazines, the studies of leading American corporations and information from some specialized American sources about the previous administrations in which some of President Reagan's "appointees" once served.⁵

When the authors were working out the methods of analyzing the connections of the Reagan Administration's upper echelon with various regional segments of the monopolistic bourgeoisie, they relied primarily on the studies of Professor V. S. Zorin, who has thoroughly examined the present-day regional structure of U.S. monopoly capital in a number of works.⁶ Using the "Zorin model" in their research, they examined four main regional monopolistic segments: the northeastern (with Wall Street as its nucleus), the midwestern (with its center in Chicago), the southwestern, or Californian (in which Los Angeles plays the leading role) and the southern (which takes in the monopolists of the "Deep South" and Texas).

When we analyze the representation of these monopolistic groups in the Reagan Administration, we must bear in mind that there are various connections between the corporations making up these groups and that these connections naturally transcend the boundaries of individual states and regions. However, the existence of connections between, for example, a company in the Wall Street group and California business circles does not take this company out of the northeastern association of monopolists, with its high "density" of economic and, to an even greater degree, social and political connections within this association. The same may be said of other regional groups.

Nevertheless, it was extremely difficult in some cases to definitely categorize some members of the administration as members of a particular regional monopolistic group because some have moved from one region to another and have had extremely diverse connections in their business and political careers. The authors have treated these individuals as special cases.

The categorization of the political and business careers of Reagan's appointees was conducted on the basis of the most general system of classification, which was used in a special study by one of the authors of this article.⁷

This system is based on an analysis of the composition of all postwar U.S. administrations, but on a smaller group of members from each administration (20-25 individuals). The transition to the study of a broader group of members of the administration upper echelon necessitated an increase in the number of categories (or types) of political and business careers from five to six. The authors are aware that even more precise classification is possible (in some cases these classifications are used within individual categories).

The following types of political and business careers were used in the analysis of the administration composition: 1) individuals who were the heads of the largest corporations (in FORTUNE magazine's list of the top 500)⁸ prior to their appointments; 2) individuals who owned or managed companies of the second and third echelons of American business (the companies in the second 500 and related large companies) before they were invited to occupy high federal offices; 3) individuals who were top-level staffers or members of various organizations connected directly with the leading companies in the private sector--primarily legal and consulting firms and business associations--prior to their government jobs; 4) professional politicians who have spent almost their entire career in various elected offices on the federal.

state or municipal level; 5) academics from the social and natural sciences who have been drawn into politics; 6) former professional civil servants (high-placed officials).⁹

When the authors analyzed the administration from the two abovementioned vantage points, they tried to assess some other parameters of the upper echelon of the Reagan Administration, particularly the affiliations (or connections) of various members with multinational corporations with a relatively small share of military production, the companies making up the nucleus of the military-industrial complex and medium-sized or even small firms with almost no access to foreign markets. In some cases it was impossible to assess the group precisely according to these parameters because of the unavailability of the necessary data on the operations and investments of relatively little-known companies.

The fact that the 1980 election was won by a "clearly defined" Californian, R. Reagan, with strong connections with the monopolists in this state (mainly in the south), naturally aroused interest in the degree of representation the group would have in the new administration.¹⁰ The Californians in the administration include E. Meese, counselor to the President with cabinet status; W. Clark, the President's national security adviser; M. Deaver, a presidential adviser and deputy chief of the White House staff; and four other individuals on the White House staff and in other executive agencies.

On the cabinet level, Californians were appointed secretary of defense (C. Weinberger) and attorney general (W. Smith). G. Shultz, who was appointed secretary of state in June 1982, could also be called a Californian, although he, just as C. Weinberger (and to a greater degree than the latter), has quite diverse connections with monopolists in the Northeast and Midwest. In addition, there are another nine individuals on the subcabinet level in the executive departments and agencies who are connected primarily with the California group. Most of them serving in the executive bodies headed by representatives of other regional monopolistic groups. For example, five are the deputy secretaries of the treasury, the interior, energy, agriculture and health and human services.

Representatives of the northeastern monopolistic group hold many important positions in the Reagan Administration in the areas of finance, trade and foreign and military policy. The secretary of the treasury is D. Regan, a prominent representative of Wall Street, and the secretary of commerce is M. Baldrige from Connecticut. The departments of the treasury and commerce have two northeastern deputy secretaries each. The one with the most impressive business connections is J. Wright, once the president of several branches of Citicorp, the largest commercial bank in the United States.

In the State Department virtually all of the positions on the subcabinet level (particularly after W. Clark moved from the office of deputy secretary of state to the office of presidential assistant for national security affairs) have been occupied either by representatives of the northeastern monopolistic group or professional State Department staffers, who are also associated most closely with the Northeast in terms of their social and political connections.

These are W. Stoessel, J. Buckley, M. Rashish and some other individuals who were prominent State Department officials in the past. Another representative of this group, E. Rostow, is the head of the Arms Control and Disarmament Agency.

Many people connected with the northeastern group hold important positions in the military establishment. They include Secretary of the Army J. Marsh, Secretary of the Navy J. Lehman and some under secretaries of defense. The director of the CIA is W. Casey, a New Yorker who has also maintained close contacts with California businessmen and the Republican Party leaders in this region ever since he worked in the Nixon Administration.

Another prominent representative of the northeastern monopolistic group in the administration is black American S. Pierce, who was appointed secretary of housing and urban development.

The resignation of Secretary of State A. Haig, an individual associated almost exclusively with the northeastern monopolistic group, has made its representation in the Reagan Administration seem less impressive since June 1982. On the whole, after Haig's departure, the northeastern group was represented in the Reagan Administration in eight cabinet level positions, nine offices of under secretaries and secretaries who are not members of the cabinet and 26 other positions on the subcabinet level. After Haig's departure from the State Department, there were rumors in the American press about the possible departure of several subcabinet officials, also associated primarily with the northeastern group, from the foreign policy establishment.

The midwestern monopolistic group was able to place its representatives in only three cabinet level offices--J. Block became the secretary of agriculture, D. Stockman was appointed director of the Office of Management and Budget and M. Weidenbaum was appointed chairman of the President's Council of Economic Advisers. This group is represented much more widely on the subcabinet level: Under Secretary of the Treasury B. Sprinkel, Under Secretary of Defense R. DeLauer, Assistant Secretary of Commerce L. Olmer, Under Secretary of Housing and Urban Development D. Hovde and deputy secretaries of agriculture, energy and state. In all, the midwestern group is represented by 19 people in the administration.

The southern monopolistic group is represented in the administration by Chief of White House Staff J. Baker,¹¹ Secretary of Energy J. Edwards and U.S. Trade Representative W. Brock (who has cabinet status). Due to Ronald Reagan's declared reduction of direct government intervention in the sphere of energy, the Department of Energy and, consequently, its head, D. Edwards, are not as important now as they were in the Carter Administration. In addition, the southern monopolistic group is represented by the director of ACTION (T. Pauken) and the chairman of the Federal Energy Regulatory Commission (C. Butler).¹²

Six people in the upper echelon of the Reagan Administration are from the Mountain States and do not officially belong to any of the four groups listed above. These are Secretary of Education T. Bell (Utah), Secretary of the

Interior J. Watt (Colorado), Administrator A. Gorsuch of the Environmental Protection Agency (Colorado), Chairman R. Taylor of the Interstate Commerce Commission (Nevada), Director J. Keyworth of the President's Office of Science and Technology Policy (New Mexico) and M. Mansfield, a Democrat retained by Ronald Reagan as U.S. ambassador to Japan (Montana).

A more detailed analysis of the political careers and social connections of these individuals testifies that they are most closely associated with the California monopolists, although some of them have significant connections with politicians and businessmen in the Midwest and Texas.

The first category of political and business careers (individuals who headed the largest companies prior to their appointments) takes in several prominent individuals in the Reagan Administration.

Representatives of this category traditionally receive appointments to the top positions connected with economic policymaking (primarily in the sphere of finance and trade) and positions connected with tax regulation, stock market operations, specific economic sectors and military agencies. This trend is quite apparent in the Reagan Administration.¹³

For example, the secretary of the treasury is D. Regan, who was previously chairman of the board of Merrill Lynch, the largest brokerage house in the United States. This diversified financial corporation with its headquarters in New York trades stocks and other securities.¹⁴ In 1979 this financial conglomerate, which took shape in the 1950's as a result of the merger of several Wall Street and New Orleans (Louisiana) brokerage firms, controlled 12 percent of the American stock market.¹⁵ On Wall Street this firm is something of an outsider. This is corroborated, in particular, by the composition of its board of directors, on which virtually no Wall Street corporations and banks are represented.¹⁶ It is not among the largest financial institutions in the Northeast, although it is making a colossal effort to penetrate their ranks. D. Regan is one of the leaders of big business who tend to support candidates from both parties. Reagan's supporters on the far right were displeased with Regan's appointment as secretary of the treasury and noted that he had supported Democratic candidates in past campaigns.

The secretary of commerce in the Reagan Administration is M. Baldrige, a stockholder and chairman of the board of Scoville Inc., a Connecticut industrial concern which is not officially among the "creme de la creme"¹⁷ but has strong financial ties with such major banks as Morgan Guaranty Trust (New York), Wells Fargo and Crocker National (San Francisco).¹⁸ Baldrige's business contacts are not confined to this. He is a member of the board of several corporations headquartered in Connecticut, New York, New Jersey and Michigan, which gives him a particularly high status in the business community.¹⁹ In contrast to D. Regan, Baldrige was an active Republican leader in Connecticut and participated in party national conventions (he once headed R. Nixon's presidential campaign in that state, and in the last campaign Baldrige was the chairman of the Bush presidential campaign).

Another representative of this group, Secretary of Defense C. Weinberger, was a member of the board, vice president and legal counsel of the Bechtel Group,

the largest construction company in the United States, headquartered in San Francisco (California), just before he entered the administration.²⁰

Weinberger entered the political arena in the middle of the 1950's as an active participant in California Republican politics. He was elected several times to the state legislature from San Francisco and was Republican Party state chairman in the mid-1960's. Weinberger also has connections on the national level with the New York Republican Party group. In 1966 he fought against Reagan's nomination as the Republican candidate for governor of California but then campaigned energetically for Reagan after he had been nominated.²¹

Another representative of this category is A. Haig, who was secretary of state in the Reagan Administration until the end of June 1982 and was previously the president of United Technologies, a Connecticut-based industrial corporation. Prior to this he was active in the Nixon and Ford administrations, serving as chief of the White House staff, commander-in-chief of the U.S. European Command and NATO supreme allied commander in Europe (1974-1979). He has extensive connections with military and political circles in the United States and Western Europe.

G. Shultz, who replaced Haig as secretary of state, was the chief administrator of the abovementioned Bechtel Group and a prominent member of the board of the Morgan Guaranty Trust, one of the central elements of the northeastern monopolistic group, prior to his arrival in Washington.

In addition to D. Regan, M. Baldrige, C. Weinberger, A. Haig and G. Shultz, several other prominent members of the administration belong to this category.²²

Many of the people in the Reagan Administration who fall into this category were or are members of the New York Council on Foreign Relations (CFR)--an elite association of businessmen, politicians, diplomats, scientists and journalists, with northeastern monopolists as its nucleus; representatives of other regional monopolistic groups have recently become members of the CFR. The members of the CFR on the top level of the monopolistic hierarchy are A. Haig, G. Shultz and M. Baldrige. Some other individuals belonging to other categories in the administration upper echelon, primarily in the State Department, also belong to this organization.²³ Most of them are representatives of the CFR right wing and center. With the exception of G. Shultz, no CFR member in the Reagan Administration is a top CFR official.²⁴

The second category of administration members (those who were owners and managers of companies in the second and third echelons of American business prior to their appointments) consists of the following individuals: National Security Adviser W. Clark, the owner and manager of the Clark Land and Cattle Company, a California real estate firm; Secretary of Agriculture J. Block, the owner of a family firm in Illinois (the firm has total assets of around 10 million dollars); Secretary of Labor R. Donovan, one of the owners and the executive vice president of the Schiavonne Construction Company in New Jersey; President W. Draper of the Export-Import Bank of the United States, founder

and general partner of Sutter Hill Ventures, a California investment company which has financed around 150 young U.S. industrial firms; Director C. Wick of the United States Information Agency, president and founder of the Wick Financial Corporation and Mapleton Enterprises, an independent businessman who has financed a variety of radio and television programs; Under Secretary of Housing and Urban Development D. Hovde, owner of Hovde Realty Inc. in Wisconsin. This category also includes Deputy Secretary of Transportation D. Trent, chairman of the board of several small companies in Kansas, Missouri and Oklahoma; Ambassador at Large D. Terra, founder and head of Lauter Chemicals Inc., a small international chemical company based in Illinois; Deputy Secretary of the Treasury R. McNamar; Administrator L. Helms of the Federal Aviation Administration; U.S. Ambassador to Canada P. Robinson.

This group has more members than any other who are closely connected with the inner circle of Ronald Reagan's political friends, especially the millionaire businessmen with whom Reagan has maintained contact ever since he was governor of California and who have repeatedly given him financial and political support.

For example, Deputy Secretary of the Treasury R. McNamar, who was once active in the Nixon and Ford administrations, was the vice president of a California finance company, Beneficial Standard Corporation, which is within the sphere of economic interests of the President's closest friends.²⁵ Another Californian who occupies a high position on the White House staff, W. Clark, is probably, according to reports in the American press, one of the President Reagan's oldest and closest confidants (it was he who first hired presidential counselor E. Meese and Deputy Chief of White House Staff M. Deaver to work for Reagan when he was governor, and Clark has also been a close friend of Secretary of Defense C. Weinberger for a long time). Other names which should be mentioned in this connection are those of D. Terra, who was active in Reagan's campaign as the chairman of his finance committee; C. Wick, co-chairman of the inaugural committee in 1981 and the President's old friend, married to a movie actress; and, finally, L. Annenberg, the wife of publisher W. Annenberg, whose name is also frequently listed among the President's closest political friends.²⁶

There are many people in this group who might not belong to President Reagan's "inner circle" but who supported him actively during his campaign or were closely connected with groups supporting him. They include R. Donovan, who was chairman of the Reagan campaign in New Jersey in 1980, collected contributions for his campaign and is closely associated with former Senator J. Buckley, who also occupies an important position in the Reagan Administration. Another is W. Draper, a prominent figure in the Republican Party (in California), who was active in the 1980 campaign as the co-chairman of the Bush financial committee; Draper joined the "Reagan team" as soon as Bush had entered into his political alliance with Reagan. Draper also contributed large sums to the campaign.

J. Block owes his appointment to the active support of Kansas Republican Senator R. Dole, Illinois State Governor J. Thompson and the American Farm Bureau Federation. By means of this appointment and others like it, Reagan tried to repay midwestern politicians for their campaign support.²⁷

In all, there are 13 people in Reagan's administration who belong to this category.

There are also many members of the administration upper echelon who fall into the third category--those who were staffers or partners in legal and consulting firms and business associations prior to their appointments.

First and foremost, there are the people from the major law firms--the "superlawyers"--whose main concern when they are not in government service is a law practice which serves and protects the interests of major corporations and individual property owners.

Members of this group received appointments to positions of great political significance. For example, a partner from one of the most prestigious and influential law firms in California, Gibson, Dunn & Crutcher, W. Smith, became attorney general; the secretary of housing and urban development is S. Pierce, a partner in a leading Wall Street firm--Battle, Fowler, Jaffin, Pierce & Hill. The White House chief of staff is J. Baker, a partner in a large Houston law firm--Andrews, Kert, Campbell & Jones. W. Casey, who worked as a legal counsel in the law firm of former Secretary of State W. Rogers, Rogers & Wells, and was a partner in two other prestigious law firms prior to this in New York and Washington, Hall, Casey, Dickler & Hawley and Scribner, Hall, Casey, Thornburg & Thompson, is the director of the CIA. Others were appointed chairman of the Interstate Commerce Commission, chairman of the Federal Communications Commission, deputy attorney general, etc. (R. Taylor, M. Fowler, E. Schmults and M. Rabb).²⁸

As we can see, the law firms represented in the Reagan Administration include several firms connected with the southern and western monopolies as well as the large New York and Washington law firms which have traditionally supplied the government with personnel. We can learn more about the connections of these firms with companies in the private sector from their corporate clientele.²⁹

This group's connections with American monopolies are attested to eloquently by their active participation in the management of many firms. They are on the boards of such large American companies as California's transnational Crocker National Corporation, New Jersey's transnational Prudential Insurance Company of America, Connecticut's transnational General Electric Company, New York's International Paper Company, Massachusetts' First National Boston Corporation, as well as Litton Industries, Pullman Incorporated, the Bechtel Group and others. All of these companies are among the top 100 American corporations.

As for the members of this group, they are people for whom political activity has become a second occupation. Having extensive contacts in the corporate world and an intermediate position which involves them in the daily affairs of various government organizations, they energetically use their experience and contacts in their work in various, often quite influential, federal government appointments. They eagerly abandon their own offices and give up large incomes temporarily because they know that even higher incomes and

better places, or at least the same ones, in their law offices will be waiting for them after they leave the administration. The "superlawyers" represent one of the links in the American political and social system which bind government activities closely to the interests of the dominant class. They spend their careers moving constantly from the government to the sphere of private enterprises and back again.

Fairly close ties with prominent politicians are characteristic of many members of this group. For example, Director W. Casey of the CIA is connected with W. Rogers and L. Hall and maintains a close relationship with W. Simon and R. Nixon. M. Rabb was one of President Eisenhower's closest advisers, his secretary and the writer of many of his speeches. R. Taylor is connected with Nevada Senator P. Laxalt, who is extremely close to President Reagan. W. Smith is a close friend and long-time supporter and political ally of the current President.

Another group of individuals falling into this category are the partners in various types of consulting firms and private consultants. The activities of these firms, which offer consultations on the most varied scientific, technical, economic and administrative matters on a commercial basis, have acquired considerable scope in the United States in recent decades. Their services are being enlisted by various federal agencies as well as companies and organizations in the private sector (including firms abroad).

The more important role of private consultants is attested to by the appointment of a relatively large number of them to politically influential positions in the Reagan Administration. They include former National Security Adviser R. Allen, Secretary of Transportation A. Lewis, six secretaries who are not cabinet members and deputy secretaries of the treasury, state, commerce and the interior, three White House staffers (C. Fuller, J. Brady and retired P. (Vic) Hofziper) and Administrator M. Cardenas of the Small Business Administration.

Most of these people have worked with previous Republican administrations and have maintained close ties with the "necessary people." Now they are successfully using their accumulated information and contacts to serve the interests of private American firms and various foreign clients. This activity often leads to scandalous exposures.³⁰

Finally, the following members of the administration were once the heads of various types of business associations: J. Watt is now the secretary of the interior but previously headed a lobbyist organization defending the interests of oil, gas and mining companies, the Mountain States Legal Foundation (funded by the Texas Utilities Company of Dallas, Idaho Power Company and some other firms), and R. Lyng, who is now deputy secretary of agriculture but was previously the head of one of the largest lobbyist organizations of American meat sellers--the American Meat Institute. Both of these individuals have strong ties with the President's closest associates. For example, R. Lyng, who has been active in California Republican Party politics since the beginning of the 1960's, worked with R. Reagan previously, serving as the head of the California State Department of Agriculture (1967-1969), and J. Watt is closely

associated with millionaire J. Coors, who was one of the founders of the Mountain Legal Foundation and is a major financier and a political ally of the current President.³¹

In all, 39 members of the group in question fall into this category.

The people who belong to the fourth category (professional politicians who have spent most of their career in various elected offices in the U.S. Congress and in state government or elected judicial positions) are usually not on the boards of the leading corporations and do not have secure positions in law firms. Nevertheless, they do have a stable group of friends in business who actively influence their outlook and finance their campaigns. Many of them are also related to members of business circles by blood.

Four of them are cabinet members: Secretary of Energy J. Edwards, Director D. Stockman of the Office of Management and Budget, Secretary of Health and Human Services R. Schweiker and U.S. Trade Representative W. Brock. A. Gorsuch is the head of the Environmental Protection Agency. This category also includes M. Mansfield, a major figure in the Democratic Party who was retained as U.S. ambassador to Japan by Reagan.

Most of the politicians appointed to high-level positions are from the privileged strata of society. For example, R. Schweiker is the son of a wealthy businessman. His father, M. Schweiker, was the chairman of the American Olean Tile Company (a branch of the National Gypsum Company, a Texas-based major construction corporation) and a consultant to National Gypsum. Schweiker worked his way up in the family construction business and eventually became vice president (1950-1960).³² A similar road was traveled by W. Brock, a member of a politically influential Tennessee family which owned the Brock Candy Company with a turnover running into the millions.³³ The rest might not have had family businesses but they did have high incomes (as, for example, J. Edwards, who has maintained his private dental practice between political appointments) or connections with local political groups.

In all, six members of the upper echelon of the Reagan Administration fall into this category.

The fifth category (academics drawn into politics) includes former professor at Washington's Georgetown University J. Kirkpatrick (U.S. representative to the United Nations); former researcher at the Stanford University Hoover Institute of War, Revolution and Peace M. Anderson (the presidential assistant for policy development who left the administration in the beginning of 1982); former professor of economics at Washington University in St. Louis and American Enterprise Institute researcher M. Weidenbaum (former chairman of the Council of Economic Advisers); former Yale University Professor E. Rostow (the head of the Arms Control and Disarmament Agency) and others.³⁴

In all, 11 members of the Reagan Administration fall into this category.

Most of the scientific institutes with which they are connected are centers for the elaboration of conservative and rightwing conservative political

doctrines and ideologies. These centers have been supported in recent decades by corporations whose leadership has lost faith in the effectiveness of the social programs of the "Great Society" and the methods of Keynesian economics and opposes the relaxation of international tension. The American businessmen who finance the activities of these rightwing and conservative centers believe that many of the studies of organizations of the liberal wing of the ruling elite, such as the New York Council on Foreign Relations, the Brookings Institution and the Trilateral Commission, are not in the "national interest." The more subtle methods of struggle against the socialist community and national liberation movement, the emphasis on economic and ideological instruments in this struggle and the need for international cooperation in some areas, which have been suggested by these organizations, do not please the particular segment of the American bourgeoisie and political elite that is the nucleus of Reagan's political coalition and is generously subsidizing the Hoover Institute, the Heritage Foundation and other such organizations.³⁵

Most of the representatives of the sixth category (former professional civil servants) were appointed to offices in the State Department (Under Secretary of State W. Stoessel, Assistant Secretary of State L. Eagleburger, Assistant Secretary of State R. Kennedy and others); one of them is the secretary of education (T. Bell); the rest are deputy secretaries of education, health and human services, defense and so forth.

There are 10 people of this category in the group in question.

This analysis of the composition of the Reagan Administration's upper echelon from the standpoint of the representation of the main regional segments of the monopolistic bourgeoisie in the administration suggests that the California group is represented extensively. Its representation is more impressive than it was in the first administration of another Californian, President R. Nixon. This is probably the result of the increasing role California has played in the last 3-10 years in national economics and politics. To win the 1968 election Richard Nixon had to make a greater effort to gain the trust of big businessmen and political bosses in the Northeast than Ronald Reagan did, and this naturally had an effect on the subsequent formation of executive agencies.

Californians hold many key positions in the upper echelon. Their presence is particularly noticeable in top positions on the White House staff.

The representation of the northeastern monopolistic group is considerable. For several decades this group has dominated U.S. economics, finance and politics. Despite the relative reduction in this group's influence in U.S. economics over the last 15-20 years, it is still extremely influential, and this has been reflected during campaigns and during the formation of the administrations of the 1970's and early 1980's, including the present one. Nevertheless, in the Reagan Administration there are much fewer traditional representatives of this group, with the strongest political connections with the northeastern elite. In particular, the Reagan Administration has almost no former members of the Trilateral Commission (the offspring of D. Rockefeller, a pillar of the northeastern monopolistic group), the organization which gave the Carter Administration almost half of its upper echelon appointees (including the President and vice president). With a view to the unpopularity of

the Trilateral Commission among the majority of Republican Party leaders and activists of the new generation, Vice President G. Bush publicly announced his withdrawal from the commission during the 1980 campaign, and Secretary of Defense C. Weinberger did the same.³⁶

The present administration has more former and current members of another important organization of the northeastern elite, the New York Council on Foreign Relations; here, however, they do not enjoy the dominant position they had in the Carter Administration. They have had to share much of their influence with members of rival organizations--the Hoover Institute, the Heritage Foundation, the American Enterprise Institute and other organizations known for their rightwing conservative outlook.

The monopolists of Texas and the "Deep South" and those of the Midwest are represented much less than the California and northeastern groups in the administration. The tendency toward a more important role for southerners in government policy on the top federal level, which was apparent during the Johnson Administration and grew stronger under J. Carter, has not been developed under Ronald Reagan.

The interests of military-industrial corporations and transnational companies are represented widely in the upper echelon of the Reagan Administration. In many cases the connections between administration members and military-industrial circles are camouflaged and are implemented through law firms, consulting companies, foundations and research institutes. The largest American transnational monopolies, which have been engaging in massive overseas operations for several decades and have invested billions abroad, are not as obviously represented in the Reagan Administration as they were in the previous administration of J. Carter. In this administration the European side of American transnational business is less perceptible and the presence of corporations whose interests are mainly connected with other regions--particularly the Pacific and the Persian Gulf--is more noticeable. Business oriented primarily toward the domestic market--companies whose owners have displayed increasing chauvinism in recent years and whose view of the world in this respect is fully in the interests of the military-industrial complex--is represented much more widely.

When we analyze the composition of this administration according to the political careers of its members prior to their government appointments, we can see that many of its members are direct representatives of "big business." It does not, however, have (with the obvious exception of G. Shultz) any of the top-level businessmen who were present in previous administrations--businessmen of the caliber of T. Watson from IBM or C. Wilson from General Motors. Most of the businessmen in the Reagan Administration are not representatives of "old money" or patrician families with huge fortunes dating back several generations. The former businessmen among Reagan's appointees are mainly people who are first or second generation property owners, just like Reagan himself and his friends in the "kitchen cabinet." It would seem that this is due to the tremendous "potential for scandal" in the present administration, which could lead to something like a new "Watergate" under certain circumstances.

Most of the members of the administration have alternated their political and government careers with private business activity or with activity in legal and consulting firms and various types of associations serving the interests of private business. They represent the particular stratum of the ruling elite that is the main connecting link between most of the dominant class, which participates directly in politics only sporadically, and the government.

FOOTNOTES

1. E. Meese, J. Baker, M. Deaver, C. Fuller, R. Darman, J. Canzeri, F. Fielding, R. Williamson, W. Clark, J. Brady, E. Dole and the now retired M. Friedersdorf, F. Nofziger, M. Anderson and J. Pendleton (15 people in all).
2. Former Chairman M. Weidenbaum of the Council of Economic Advisers, Director D. Stockman of the Office of Management and Budget, U.S. Trade Representative W. Brock, Chairman A. Hill of the Council on Environmental Quality and Director J. Keyworth of the Office of Science and Technology Policy (five in all).
3. The secretaries and deputy secretaries of 16 executive departments (defense, state, treasury, commerce, justice, agriculture, energy, education, health and human services, housing and urban development, interior, labor and transportation) and the three military departments--Army, Navy and Air Force--organized as part of the Department of Defense (only their secretaries were included in our group) and the 17 main independent agencies and regulatory commissions (59 people in all).
4. The U.S. ambassadors to the USSR (A. Hartman), PRC (A. Hummel), France (E. Galbraith), Great Britain (J. Louis), FRG (A. Burns), Japan (M. Mansfield), Canada (P. Robinson), Italy (M. Rabb), former ambassador to Saudi Arabia (R. Newman), the United Nations (J. Kirkpatrick), the OAS (W. Middendorf) and the EEC (J. West)--(only the necessary data for the U.S. ambassador to NATO were lacking); and the ambassadors at large and the White House chief of protocol (15 in all).
5. The most useful of these studies were: P. Burch, "Elites in American History. The New Deal to the Carter Administration," N.Y., 1980; T. Dye, "Who's Running America? Institutional Leadership in the United States," Englewood Cliffs, 1976; "Everybody's Business. The Irreverent Guide to Corporate America," edited by M. Moskowitz, M. Katz, R. Leveking, San Francisco, 1980.
6. V. S. Zorin, "Dollary i politika Vashingtona" [Dollars and Washington Politics], Moscow, 1964, pp 3-127; V. S. Zorin, "The Monopolies and Washington," SSNA: EKONOMIKA, POLITIKA, IDEOLOGIYA, Nos 7, 8, 1978, pp 27-37, 43-46.
7. A. A. Kokoshin, "Monopolies and Power," KOMMUNIST, No 5, 1982, pp 108-112.

8. The FORTUNE lists in Nos 9, 12, 13, 1981.
9. As a rule, people in the last three categories also establish close ties with the monopolistic bourgeoisie and acquire monopolist sponsors during their careers. Scientists, for example, are usually recommended for high government appointments by prominent businessmen. After completing their work in the administration they generally become members of the boards of the largest industrial and service corporations.
10. According to some reports, the President is most influenced by his old friends from Southern California, such as businessman J. Dart (the head of the Dart Industries conglomerate), car dealer H. Tuttle, oil industrialist E. Jorgensen, owner of the department store chain A. Bloomingdale and some others. All of these people, who make up the so-called "kitchen cabinet," have quite substantial personal fortunes but do not head any of the corporations and banks making up the "creme de la creme" of American business. Their operations are almost completely confined to the domestic market and they have little international experience. The only one of the California businessmen close to Reagan who had relatively broad international contacts was the recently deceased Charles Tex Thornton from Litton Industries.
11. J. Baker is a protege of Vice President George Bush, who has strong ties with monopolists in Texas and the Northwest.
12. Some sources categorize another six members of this group as southerners: Deputy Secretary of Commerce J. Wright, Assistant Secretary of State L. Eagleburger, Ambassador at Large V. Walters, Deputy Secretary of the Treasury R. McNamar, NASA Administrator J. Beggs and Chairman M. Fowler of the Federal Communications Commission.
13. They include four secretaries (defense, treasury, commerce and interior), six deputy secretaries, the head of NASA, the chairman of the Securities and Exchange Commission and the U.S. representative to the OAS.
14. This firm ranks fifth among U.S. diversified financial companies in terms of operational volume. This and future statements of this kind are based on the data of FORTUNE magazine.
15. "Everybody's Business," p 486.
16. It is interesting that the only industrial corporation represented on the firm's board is Texas Instruments, which is actively competing with northeastern monopolists and whose general director, B. Smith, is a member of the board of Merrill Lynch ("Moody's Bank & Financial Manual," N.Y., 1980, p 2150).
17. This company ranks 327th on the FORTUNE list in terms of sales volume.
18. "Moody's Industrial Manual," N.Y., 1980, vol 11, p 3083.

19. The industrial AMF Incorporated (225th in sales), the mining company (industrial) Asarco Incorporated (199th), the aerospace Bendix Corporation (87th), the chemical firm Uniroyal Incorporated (164th) and the Connecticut Mutual Life Insurance Company (16th among insurance companies).
20. Bechtel builds refineries, chemical plants, blast furnaces, mining complexes, oil and gas plants and transportation systems. In the last 15-20 years Bechtel's international operations have increased dramatically, particularly in the Middle East and the Pacific (its activity in Western Europe is much less noticeable). In particular, this company built a trans-Arab pipeline of almost 2,000 kilometers and is building an industrial center in Saudi Arabia for 300,000 inhabitants with a complete infrastructure, the cost of which (calculated over 20 years) has been estimated at 55 billion dollars. Bechtel is working on huge projects in South Korea. Since 1979 it has been operating in Beijing. The Bechtel administration has traditionally included many former members of various administrations with considerable foreign policy experience--for example, former Director of the CIA and Chairman of the Atomic Energy Commission J. McCone, former Ambassador to Saudi Arabia P. Hart and former Director of the CIA and Ambassador to Iran R. Helms ("Everybody's Business," pp 857-861). Bechtel's substantial business interests in Saudi Arabia are a constant source of accusations, particularly on the part of Jewish organizations, that Weinberger and Shultz are giving preference to Riyadh rather than Tel-Aviv in Middle East policy.
21. "Hearings Before the Committee on Armed Services, U.S. Senate, on the Nomination of C. F. Weinberger To Be Secretary of Defense," Wash., 1981; NEWSWEEK, 22 December 1980, p 37; NATIONAL JOURNAL, 20 December 1980, p 2175.
22. They are Deputy Secretary of Commerce J. Wright, who was the president of several branches of Citicorp, the largest commercial bank in the United States, Deputy Secretary of Energy W. Davis (the former vice president of the abovementioned Bechtel company), Under Secretary of State J. Buckley (once a member of the board of Donaldson, Lufkin & Jenrette, a diversified financial company in New York), Under Secretary of the Treasury B. Sprinkel (former executive vice president of the Harris Trust and Savings Bank in Chicago), Chairman J. Shad of the Securities and Exchange Commission (former vice president of the board of directors of the E. F. Hutton Group, a diversified financial company in New York), some deputy secretaries of defense and energy, the U.S. representative to the OAS, the head of NASA and the U.S. ambassador to Great Britain, who were administrators of large companies in the Northeast and Midwest (prior to their appointments they were connected with such companies as the TRV (Ohio) and General Dynamics (Missouri) military-industrial giants, Washington holding companies such as the Financial Bankers Corporation and the Gannett Company, and some others).
23. They are Under Secretary of State F. Adams, U.S. Ambassador to the FRG A. Burns, Deputy Secretary of Defense F. Carlucci, Director W. Casey of the CIA, Under Secretary of State L. Eagleburger, U.S. Ambassador to the

USSR A. Hartman, Assistant Secretary of Defense F. Ikle, Director E. Rostow of the Arms Control and Disarmament Agency, Deputy Secretary of State W. Stoessel, former Chairman M. Weidenbaum of the Council of Economic Advisers and some others. Some U.S. ambassadors and members of various presidential advisory councils who are not part of the administration upper echelon are also members of the CFR (AMERICAN OPINION, April 1982, pp 19-20).

24. "Council on Foreign Relations, Inc. Annual Report 1980-1981," N.Y., s. a., pp 138-152.
25. Some members of the board of Beneficial Standard are members of Reagan's "kitchen cabinet"--Southern California businessman A. Bloomingdale and the wife of Attorney General W. Smith, who is also an old friend and political colleague of the President ("Moody's Bank & Finance Manual 1980," vol 2, N.Y., 1980, p 4327).
26. NEW STATESMAN, 19 June 1981, pp 6-10; THE NEW YORK TIMES, 16 March 1981.
27. THE WASHINGTON POST, 19 November 1980; CURRENT BIOGRAPHY, 1982, No 4, p 4.
28. They represent such large law firms as Nevada's Allison, Brunetti, McKenzie & Taylor Ltd., Washington's Fowler & Meyers and New York's White & Case and Struck, Struck & Levan.
29. The clients of these firms include the Phillips Petroleum Company, the Oklahoma-based international oil concern which ranks 16th among the largest American industrial firms in terms of sales volume; the Los Angeles-based Pacific Lighting Corporation (47th among service companies in terms of sales); the Pacific Mutual Life Insurance Company in California (24th among insurance companies in terms of operations); the above-mentioned Merrill Lynch; the Consolidated Food Corporation in Chicago; Levi Strauss and Company in San Francisco; the Hughes Tool Company in Texas; the International Seagram Company Limited, American Express and others ("The Legal Connection," Menlo Park, 1979, pp 315-377).
30. THE WASHINGTON POST, 17 December 1981; THE NEW YORK TIMES, 17 November, 6 December 1981.
31. THE NEW YORK TIMES, 23 December 1980; NATIONAL JOURNAL, 3 January 1981.
32. R. Schweiker is the only cabinet member who was recommended by Senator E. Kennedy (NEWSWEEK, 22 December 1980).
33. CURRENT BIOGRAPHY, No 5, 1971, pp 5-8.
34. Some members of this group have the most direct connections with companies in the private sector. For example, N. Paladino, the current chairman of the Nuclear Regulatory Commission, managed a Westinghouse Electric subdivision and worked with scientific organizations connected directly with the military-industrial complex, such as the Oak Ridge and Argonne national

laboratories, before he headed the Engineering College at the University of Pennsylvania.

35. According to the authors' calculations, around 40 percent of the members of this group have been connected to some degree with these centers (as members of the board, trustees, actual and honorary officials and so forth). Reagan himself is an "honorary senior researcher" of the Hoover Institute (there have been no reports of his contribution to its research activity).
36. Several active members of the Trilateral Commission, who are part of its "nucleus" and were members of the Carter Administration, are now pointedly criticizing the Reagan Administration's foreign and military policy, stressing primarily the growing danger of nuclear war. The most prominent are former Vice President W. Mondale, former Secretary of State C. Vance, former Director P. Warnke of the Arms Control and Disarmament Agency and others.

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